



**BILL LEE**  
**Governor**

**STATE OF TENNESSEE**  
**DEPARTMENT OF REVENUE**  
**ANDREW JACKSON STATE OFFICE BUILDING**  
**NASHVILLE, TENNESSEE 37242**

**DAVID GERREGANO**  
**Commissioner**

October 8, 2021

Fiscal Review Committee  
G-102 Cordell Hull Building  
425 5<sup>th</sup> Avenue North  
Nashville, Tennessee 37243-0213

Re: Proposed Contract Amendment/Assignment of Business Information Systems  
contract 44679 to i3-BIS, LLC

The Department of Revenue respectfully submits a contract amendment for review by the joint fiscal review subcommittee.

Business Information Systems (BIS), a certified Tennessee Small Business Enterprise, has sold its interests to i3 Verticals (Parent). The Parent has formed i3-BIS, LLC to which all interests have been placed.

The Parent was founded in 2012 with the purpose of delivering seamless integrated payment and software solutions to small and medium businesses (SMBs) and organizations in strategic vertical markets. Business Information Systems (BIS) was the vendor for our Vehicle Title and Registration System. The Parent company purchased the assets of BIS to form i3-BIS, LLC. This vendor provides the point-of-sale interface with the county clerks for vehicle and title registration.

We appreciate your consideration of this amendment and welcome any questions.

Sincerely,

A handwritten signature in cursive script, reading "David Gerregano".

David Gerregano

# Supplemental Documentation Required for Fiscal Review Committee

<b>*Contact Name:</b>	Tyron Odom	<b>*Contact Phone:</b>	615-253-1381
<b>*Presenter's name(s):</b>	Justin Moorhead		
<b>Edison Contract Number: <i>(if applicable)</i></b>		<b>RFS Number: <i>(if applicable)</i></b>	
<b>*Original or Proposed Contract Begin Date:</b>	04/01/2015	<b>*Current or Proposed End Date:</b>	03/31/2022
<b>Current Request Amendment Number: <i>(if applicable)</i></b>		3	
<b>Proposed Amendment Effective Date: <i>(if applicable)</i></b>		12/8/2021	
<b>*Department Submitting:</b>		Department of Revenue	
<b>*Division:</b>		Vehicle Services	
<b>*Date Submitted:</b>		October 8, 2021	
<b>*Submitted Within Sixty (60) days:</b>		Yes	
<b><i>If not, explain:</i></b>			
<b>*Contract Vendor Name:</b>		i3-BIS, LLC	
<b>*Current or Proposed Maximum Liability:</b>			
<b>*Estimated Total Spend for Commodities:</b>			
<b>*Current or Proposed Contract Allocation by Fiscal Year: <i>(as Shown on Most Current Fully Executed Contract Summary Sheet)</i></b>			
<b>FY: 2016</b>	<b>FY:2017</b>	<b>FY:2018</b>	<b>FY:2019</b>
<b>FY:2020</b>	<b>FY21</b>	<b>FY22</b>	
\$ 1,106,801	\$ 5,163,646	\$5,461,067	\$7,598,687
\$3,705,066	\$7,787,050	\$3,908,510	
<b>*Current Total Expenditures by Fiscal Year of Contract: <i>(attach backup documentation from Edison)</i></b>			
<b>FY: 2015</b>	<b>FY:2016</b>	<b>FY:</b>	<b>FY:</b>
<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
\$0	\$0	\$	\$
<b>IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:</b>			
<b>IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:</b>			
<b>IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding</b>			

Supplemental Documentation Required for  
Fiscal Review Committee

was acquired to pay the overage:			
*Contract Funding Source/Amount:			
State:	\$34,730,827.00	Federal:	
<i>Interdepartmental:</i>		<i>Other:</i>	
If "other" please define:			
If "interdepartmental" please define:			
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>	
8/2018		Change compensation to vendor to .58 per trans.	
2/2016		James Lee Atwood Law	
Method of Original Award: <i>(if applicable)</i>		Non Competitive Negotiation	
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?		\$0.00 The compensation estimate was based on a per registration transaction basis for each vehicle title.	
*List number of other potential vendors who could provide this good or service; efforts to identify other competitive procurement alternatives; and the reason(s) a sole-source contract is in the best interest of the State.			



# STS Pre-Approval Endorsement Request E-Mail Transmittal

**TO :** STS Contracts  
Department of Finance & Administration  
[https://tn.service-now.com/sp?id=sc\\_cat\\_item&sys\\_id=a912fd4213b46b80316a73d36144b097](https://tn.service-now.com/sp?id=sc_cat_item&sys_id=a912fd4213b46b80316a73d36144b097)

For additional instructions please visit:  
<https://www.teamtn.gov/sts/planning-services/information-systems-planning/endorsement-request.html>

**FROM :** Tyron Odom, Assistant Director  
E-mail : [Tyron.Odom@tn.gov](mailto:Tyron.Odom@tn.gov)

**DATE :** October 8, 2021 **Received on 10/11/2021**

**RE :** Request for STS Pre-Approval Endorsement

**Applicable RFS # 34701-i3-BIS\_reassign END0001086**

## State Security Confidential Information Applicability

Under Tenn. Code Ann. §10-7-504(i) vendor identity or a description of the goods or services provided by the vendor shall be confidential.

- ☒ Applicable  
☐ Not Applicable

Additional language is attached and endorsement is contingent upon inclusion of this additional language:

- ☐ Applicable  
☒ Not Applicable

## STS Endorsement Signature & Date:

**Stephanie Dedmon,** Digitally signed by Stephanie  
**CIO (WMH)** Dedmon, CIO (WMH)  
Date: 2021.10.12 14:53:42 -05'00'

**Chief Information Officer**

*NOTE: Proposed contract/grant support is applicable to the subject IT service technical merit.*

<b>Applicable RFS #</b>	<b>34701-i3-BIS_reassign</b>	<b>END0001086</b>
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Strategic Technology Solutions (STS) pre-approval endorsement is required pursuant to procurement regulations pertaining to contracts with information technology as a component of the scope of service. This request seeks to ensure that STS is aware of and has an opportunity to review the procurement detailed below and in the attached document(s). This requirement applies to any procurement method regardless of dollar amount.

Please indicate STS endorsement of the described procurement (with the appropriate signature above), and return this document via e-mail at your earliest convenience.

<b>Contracting Agency</b>	<b>Revenue</b>
<b>Agency Contact</b> (name, phone, e-mail)	<b>Tyron Odom, 615.253.1381, Tyron.Odom@tn.gov</b>
<b>Attachments Supporting Request</b> (mark all applicable) Note: The complete draft procurement document and the applicable documents listed below must accompany this request when submitted to STS. Special Contract Requests and Amendment Requests without Agency Head signature are acceptable. STS is aware that these documents will not have CPO signature when submitted with this request. <ul style="list-style-type: none"> <li><input type="checkbox"/> Solicitation Document</li> <li><input type="checkbox"/> Special Contract Request</li> <li><input checked="" type="checkbox"/> Amendment Request</li> <li><input type="checkbox"/> Proposed Contract/Grant or Amendment</li> <li><input type="checkbox"/> Original Contract/Grant and Previous Amendments (if any)</li> </ul>	
<b>Information Systems Plan (ISP) Project Applicability</b> To avoid delay of STS pre-approval, the applicability of an ISP project to the procurement must be confirmed with agency IT staff prior to submitting this request to STS. If necessary, agency IT staff should contact STS Planning with questions concerning the need for an ISP project. IT Director/Staff Name Confirming (required): Daniel Pogue <input checked="" type="checkbox"/> Applicable – Approved ISP Project# 1000726 <input type="checkbox"/> Not Applicable	
<b>Subject Information Technology Service Description</b> Provide a brief summary of the information technology services involved. Clearly identify included technologies such as system development/maintenance, security, networking, etc. As applicable, identify the contract or solicitation sections related to the IT services. Business Information Systems (BIS), a certified Tennessee Small Business Enterprise, has sold its interests to i3 Verticals (Parent). The Parent has formed i3-BIS, LLC to which all interests have been placed. I3_BIS, LLC will maintain Revenue's Vehicle and Title and Registration (VTRS) database. VTRS allows state and counties' POS systems to interface when title and registration transactions happen.	

Seq # 6747

Amendment\_Technology

Subject Seq #6747 34701 - i3BIS Amendment

[Go to Form](#)

### Approval Action

Comment

[Save Comment](#)

### Review/Edit Approvers

#### Amendment Technology

▼ Amendment\_Technology: 6747:Approved

Amendment Technology

Approved

✓ Tyron D Odom  
Agency Forms Approver  
10/13/21 - 12:29 PM



Approved

✓ Kevin Wieck  
CPO Tech Forms Approver  
10/15/21 - 11:16 AM

[Save](#)

[Return to Search](#)

## Tyron Odom

---

**From:** Todd Ragan  
**Sent:** Friday, October 8, 2021 8:34 AM  
**To:** Camille Cline  
**Cc:** Tyron Odom; Kristin Husat; Amanda McGraw  
**Subject:** RE: Dept. of Revenue Contract Amendment

Good morning. Please send the documentation and the endorsement request form to us through ServiceNow. [STS Pre-Approval Endorsement Request - Service Portal \(service-now.com\)](#) Thank you for reaching out and please do not hesitate to reach out to us if you have any other questions.

Tyron- I believe you may be familiar with it. If not, let me know and we will work with you to get it.

Thanks,  
Todd

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**From:** Camille Cline <Camille.Cline@tn.gov>  
**Sent:** Friday, October 8, 2021 8:22 AM  
**To:** Todd Ragan <Todd.Ragan@tn.gov>  
**Cc:** Tyron Odom <Tyron.Odom@tn.gov>; Kristin Husat <Kristin.Husat@tn.gov>; Amanda McGraw <amanda.mcgraw@tn.gov>  
**Subject:** RE: Dept. of Revenue Contract Amendment

Hi Todd,

Thanks for your voicemail clarifying that this amendment does need an STS endorsement. We will send that over today. Should it be sent to you directly?

Tyron—Can you take care of getting whatever is needed to send to STS? I included the original contract and amendment on my previous email, but we should probably also send the previous two amendments to this contract. Todd indicated that STS would endeavor to turn around the endorsement quickly, so we could just make a note on our FRC submission today that the STS endorsement is pending.

Let me know what else I can do to assist.

Thanks,  
Camille

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**From:** Camille Cline  
**Sent:** Thursday, October 7, 2021 2:45 PM  
**To:** [Todd.Ragan@tn.gov](mailto:Todd.Ragan@tn.gov)  
**Cc:** Tyron Odom <[Tyron.Odom@tn.gov](mailto:Tyron.Odom@tn.gov)>; Kristin Husat <[Kristin.Husat@tn.gov](mailto:Kristin.Husat@tn.gov)>  
**Subject:** Dept. of Revenue Contract Amendment

Hi Todd,

My name is Camille Cline, I'm an attorney with the Department of Revenue. I just left you a voicemail about an STS endorsement question. Anne Lovell gave me your contact information and suggested I reach out to you regarding a contract amendment that the Department of Revenue is submitting to the Fiscal Review Committee tomorrow. I've attached that amendment, the contract itself, and the summary letter. The contractor at issue is Business Information Systems, recently acquired by i3 Verticals, LLC, which provides the Department's electronic vehicle title and registration system.

The Department was initially under the impression that an STS endorsement for the amendment would not be necessary, because the amendment is being done solely for the purpose of acknowledging that the contractor entity was bought by a different entity earlier this year. The amendment simply adds the name of this new entity to the agreement's definition for "contractor."

We met with Anne and Nic Edwards at CPO this afternoon to discuss various pending items with this contract, one of which is this amendment. Anne was concerned that the amendment would need an STS endorsement. Nic believed the endorsement was not necessary, but asked that I reach out to you to confirm.

Could you let me know whether this amendment will need an STS endorsement? As I mentioned before, it will be submitted to FRC tomorrow, but if an endorsement is needed, we could add a note that the endorsement is pending.

I'm happy to discuss via phone at the number below, if that's easier.

Thanks,  
Camille



**Camille Cline** | Associate General Counsel  
Andrew Jackson Building, 11th Floor  
500 Deaderick Street, Nashville, TN 37242  
p. 615-253-0019  
[camille.cline@tn.gov](mailto:camille.cline@tn.gov)  
[tn.gov/revenue](http://tn.gov/revenue)





## ATTACHMENT 2 REQUIREMENTS

### 10. Technical Manuals

The Contractor shall provide Technical Manuals that meet the following minimum requirements:

- a. The Contractor shall have complete technical manuals, which describe overall aspects of the system configuration, operating instruction, and problem diagnosis of all components and features of the VTRS and the corresponding technical specifications.
- b. The Contractor shall maintain comprehensive documentation on all software aspects of the VTRS and will provide to the State electronic copies of said documentation as revisions and changes are made. Documentation will include, but not be limited to, file structure, directory structure, database record layout, workstation architecture, system architecture, registry settings/entries, and services utilized.
- c. The Contractor shall provide at least five (5) full hardcopy sets of technical manuals and RFP 34701-00113 documentation materials to the State. The technical manuals and documentation materials must also be provided to the State in electronic format.
- d. The Contractor shall provide the State the original source code, and updated source code when any application changes are made to any part of the VTRS. Source code shall be provided to the State within five (5) business days of implementation into the production environment.
- e. The Contractor shall not remove or redact any part of the technical manuals except to remove errors. Whenever an update is made to reflect a change in the VTRS, the obsolete information shall remain intact, accessible by the State, and be clearly marked that the information is updated, the period of time the information reflected the actual VTRS design, and a reference to where the updated information is located.
- f. The Contractor shall make all changes to all copies of technical manuals supplied to the State.
- g. The Contractor shall grant the State a royalty free license to reproduce and distribute unlimited additional copies of all technical manuals, documentation, and training material at no expense.

### 11. Error Handling

- a. System error messages shall be consistent throughout the system, including codes understandable text descriptions, and screen locations.
- b. The VTRS shall send an alert to specified people to inform them of critical system issues.
- c. The VTRS shall support rapid failover or redeployment of system components in the event of a planned or unplanned interruption.
- d. Error Correction: The VTRS shall highlight errors on the screen for immediate correction.
- e. The VTRS shall record and produce error statistics including, but not limited to module, source, or time.



## ATTACHMENT 3

## ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	0000100828
CONTRACTOR LEGAL ENTITY NAME:	Business Information Systems
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	[REDACTED]

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

*Christopher Lee Laicure*  
CONTRACTOR SIGNATURE

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. Attach evidence documenting the individual's authority to contractually bind the Contractor, unless the signatory is the Contractor's chief executive or president.

Christopher Lee Laicure CEO / owner  
PRINTED NAME AND TITLE OF SIGNATORY

3-12-15  
DATE OF ATTESTATION

*JS*



**ATTACHMENT 4**

**LIQUIDATED DAMAGES**

<b>Event of Non-Performance</b>	<b>Acceptable Performance Level</b>	<b>Liquidated Damage Amount</b>
Downtime	Unplanned Downtime in excess of 48 hours	\$2,000.00 per day

*ES*



activity must be tracked from a financial perspective and ultimately interfaced at a high level to Edison. The allocation of revenue is defined by legislative rules which change from time to time.

Interested Parties	
Business Partners	Third party vendors, vehicle emission inspection facilities
County Clerks	Agents contracted by State to issue renewals, titles, temporary operating permits, and other activities.
Customer	General public with a vehicle to register
Dealers	Businesses selling vehicles
Governmental agencies	Federal, state and local government agencies with a need to access information. This could be for budget purposes, surrender titles, or law enforcement.
Insurance companies	Report salvage vehicles.
IRP (International Registration Plan) Vehicle Owners	Owner of vehicle governed by the International Registration Plan responsible for paying fees to the State of Tennessee.
Leasing Companies	Actual owner of a vehicle registered to an individual.
Lienholder	Company or individual with an interest in a vehicle. Lien must be recorded and released appropriately.
Manufacturers	Assign VIN to vehicle and provide certificate of manufacture for new vehicles.
NADA/Bluebook/???	Used to determine value of vehicle to facilitate collection of appropriate taxes.
State Examiners	State employees examining and issuing titles and renewals.

#### Business Activities

Many of the routine title and registration activities take place at the County Clerk offices. The State must process all "incompletes" and generate correspondence to various parties to complete transactions that don't contain proper documentation. There needs to be a business process flow to automatically generate follow-up communication when appropriate and properly monitor incomplete transactions.

Business Activities	
Abandoned Vehicle	Proper notice must be given before an abandoned

BS



	vehicle can be sold or otherwise conveyed to another party.
Collection of fees	Record and track payment for activities.
Discharge of lien	Removal of lien from a vehicle. Could be one of several. Discharge of one does not discharge others.
Duplicate title	Replace lost title
Fleet	Registrations for a large group of vehicles owned by one entity. Fees are sometimes different and often the renewals are set to same date regardless of when the vehicle is registered.
Inquiry	Vehicle history must be retrievable. Also, being able to certify that an inquiry was done on specific date, by specific user would allow the State to use this to prove appropriate review was completed.
Inventory	Several items are controlled stock that must be tracked. (May include plates, stickers, titles, etc.)
Mobile homes	Mobile homes are detitled when permanently affixed to land.
Noting of lien	Record lien placed on vehicle could be one of several liens on the same vehicle.
Personalized plates	Additional fees apply to customized plates and these customized plates must be appropriate.
Registration	Entitles registrant to use vehicle. Registrant is not always the registered owner of the vehicle, eg. leased vehicles.
Registration renewal	Renewal (most annual) of vehicle registration
Salvage titles	Record vehicles that have been deemed unrepairable.
Surrender of title	New resident of state must surrender title from prior state residence to obtain TN title.
Title	Includes original registration, issuance of title, and maintenance of vehicle history
Undercover vehicles	Fictitious registration information must be displayed for any vehicle flagged as undercover. Actual registration information must be protected.

### Existing System Interfaces

Type: R = Real Time

ATTACHMENT 6

BS



B = Batch (Does not include external access delivered via VTRS-provided web screens)

To/From Organization/System	What	Interface Detail	Type
Bar Code Scanner	Transfer the decoded bar code from the scanned document (e.g., registration renewal, inventory to VTRS.	2-D barcode standard	R
BIS	Business Information Systems County Clerk Solution		R
Cashiering Solution	iNovah or some other product		R
VINA	VIN decoder software		R & B
Criminal Justice Portal	Receives inquiries from CJP		R & B
Driver License System Dept. of Safety	Driver convictions for non-insurance (Financial Responsibility)	Flat file	B
Document Scanning			R & B
eGOV	Third party vendor for Sevier County portal	Not expected for Contractor development	R
Enterprise Content Management	Storage/Retrieval of documents	FileNet standard	R
Finalist	State standard/Address Verification)		R & B
Fleet-Nissan	OEM-Original Equipment Manufacturer		R
Fleet-Volkswagen	OEM - Original Equipment Manufacturer		R
IVTR	Interactive Vehicle Title Registration Portal		B
NCIC	National Crime Information Center (Stolen Vehicle Check)		R & B
NCOA	National Change of Address (NCOA) Address Inquiry/Update: Interface with the National Change of Address (NCOA) program from the US Postal Service to improve mail deliverability.	NCOA standard	R & B
Shelby County	Shelby County has their own system interfacing with legacy.	Not expected for Contractor development	
TBI	Requests from TBI		R
TN Email	Exchange	Standards based	R
TN Information Enforcement System (TIES)	Query - response for title Data	Flat file	R
TRICOR	Communication with 3M for plate production and inventory control.		R & B

#### Future Interfaces

Type: R = Real Time

B = Batch (Does not include external access delivered via VTRS-provided web screens)

65



To/From Organization/System	What	Interface Detail	Type
Active Directory	Integrate VTRS login with State Active Directory	Active Directory	R
Business Objects	State standard for reports functionality		R & B
NADA	National Automobile Dealers Assn	Receive value of car	R
NMVTIS	National Motor Vehicle Title Info System		R & B
State Renewal Portal			R & B
Warehouse	Updates to the TDOR warehouse for Inventory/reports/datamart functionality		R & B

bs

# Amendment Request

This request form is not required for amendments to grant contracts. Upload the completed document and route for approvals by selecting the Amendment Request e-Form in Edison. For additional guidance, please see the e-Forms Job Aid available online at the following: <https://www.teamtn.gov/cpo/learning-development/cpo-job-aids.html>.

**APPROVED**

CHIEF PROCUREMENT OFFICER

DATE

Agency request tracking #	34701-i3BIS_reassign	
1. Procuring Agency	Revenue	
2. Contractor	I3-BIS	
3. Edison contract ID #	44679	
4. Proposed amendment #	3	
5. Contract's Original Effective Date	4/1/2015	
6. Current end date	3/31/2022	
7. Proposed end date	3/31/2022	
8. Current Maximum Liability or Estimated Liability	\$ 34,730,827	
9. Proposed Maximum Liability or Estimated Liability	\$ 34,730,827	
10. Strategic Technology Solutions Pre-Approval Endorsement Request – information technology service (N/A to THDA)	<input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Attached	
11. Human Resources Pre-Approval Endorsement Request – state employee training service	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
<b>12. Explain why the proposed amendment is needed</b> Business Information Systems (BIS), a certified Tennessee Small Business Enterprise, has sold its interests to i3 Verticals (Parent). The Parent has formed i3-BIS, LLC to which all interests have been placed.		
<b>13. If the amendment involves a change in Scope, describe efforts to identify reasonable, competitive, procurement alternatives to amending the contract.</b>		



Agency request tracking #

34701-i3BIS\_reassign

**Signature of Agency head or authorized designee, title of signatory, and date** (the authorized designee may sign his or her own name if indicated on the Signature Certification and Authorization document)

A handwritten signature in cursive script that reads "David Serregano". The signature is written in black ink on a white background.

**AMENDMENT 3  
OF CONTRACT 44679**

This Amendment 3 is made and entered by and between the State of Tennessee, Department of Revenue, hereinafter referred to as the "State," and i3-BIS, LLC, hereinafter referred to as the "Contractor." For good and valuable consideration, the sufficiency of which is hereby acknowledged, it is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

1. Contract Section A.1. is deleted in its entirety and replaced with the following:
  - A.1. The Contractor shall provide all service and deliverables as required, described, and detailed herein and shall meet all service and delivery timelines as specified by this Contract. For purposes of this Contract, "Contractor" shall collectively refer to Business Information Systems (BIS) and i3-BIS, LLC, which purchased all or substantially all BIS assets, including this Contract, on February 1, 2021.

Required Approvals. The State is not bound by this Amendment until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

Amendment Effective Date. The revisions set forth herein shall be effective as of February 6, 2022. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

**IN WITNESS WHEREOF,**

**CONTRACTOR LEGAL ENTITY NAME: i3-BIS, LLC**

---

**SIGNATURE**

**DATE**

---

**PRINTED NAME AND TITLE OF SIGNATORY (above)**

**STATE AGENCY NAME: Department of Revenue**

---

**DAVID A. GERREGANO, COMMISSIONER**

**DATE**



# STS Pre-Approval Endorsement Request E-Mail Transmittal

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Department of Finance & Administration  
[https://tn.service-now.com/sp?id=sc\\_cat\\_item&sys\\_id=a912fd4213b46b80316a73d36144b097](https://tn.service-now.com/sp?id=sc_cat_item&sys_id=a912fd4213b46b80316a73d36144b097)

For additional instructions please visit:  
<https://www.teamtn.gov/sts/planning-services/information-systems-planning/endorsement-request.html>

**FROM :** Tyron Odom, Assistant Director  
E-mail : [Tyron.Odom@tn.gov](mailto:Tyron.Odom@tn.gov)

**DATE :** October 8, 2021 **Received on 10/11/2021**

**RE :** Request for STS Pre-Approval Endorsement

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- ☒ Applicable  
☐ Not Applicable

Additional language is attached and endorsement is contingent upon inclusion of this additional language:

- ☐ Applicable  
☒ Not Applicable

## STS Endorsement Signature & Date:

**Stephanie Dedmon,** Digitally signed by Stephanie  
**CIO (WMH)** Dedmon, CIO (WMH)  
Date: 2021.10.12 14:53:42 -05'00'

**Chief Information Officer**

*NOTE: Proposed contract/grant support is applicable to the subject IT service technical merit.*

<b>Applicable RFS #</b>	<b>34701-i3-BIS_reassign</b>	<b>END0001086</b>
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<b>Agency Contact</b> (name, phone, e-mail)	<b>Tyron Odom, 615.253.1381, Tyron.Odom@tn.gov</b>
<b>Attachments Supporting Request</b> (mark all applicable) Note: The complete draft procurement document and the applicable documents listed below must accompany this request when submitted to STS. Special Contract Requests and Amendment Requests without Agency Head signature are acceptable. STS is aware that these documents will not have CPO signature when submitted with this request. <ul style="list-style-type: none"> <li><input type="checkbox"/> Solicitation Document</li> <li><input type="checkbox"/> Special Contract Request</li> <li><input checked="" type="checkbox"/> Amendment Request</li> <li><input type="checkbox"/> Proposed Contract/Grant or Amendment</li> <li><input type="checkbox"/> Original Contract/Grant and Previous Amendments (if any)</li> </ul>	
<b>Information Systems Plan (ISP) Project Applicability</b> To avoid delay of STS pre-approval, the applicability of an ISP project to the procurement must be confirmed with agency IT staff prior to submitting this request to STS. If necessary, agency IT staff should contact STS Planning with questions concerning the need for an ISP project. IT Director/Staff Name Confirming (required): Daniel Pogue <input checked="" type="checkbox"/> Applicable – Approved ISP Project# 1000726 <input type="checkbox"/> Not Applicable	
<b>Subject Information Technology Service Description</b> Provide a brief summary of the information technology services involved. Clearly identify included technologies such as system development/maintenance, security, networking, etc. As applicable, identify the contract or solicitation sections related to the IT services. Business Information Systems (BIS), a certified Tennessee Small Business Enterprise, has sold its interests to i3 Verticals (Parent). The Parent has formed i3-BIS, LLC to which all interests have been placed. I3_BIS, LLC will maintain Revenue's Vehicle and Title and Registration (VTRS) database. VTRS allows state and counties' POS systems to interface when title and registration transactions happen.	



## CONTRACT AMENDMENT COVER SHEET

<b>Agency Tracking #</b> 34701-11096	<b>Edison ID</b> 44679	<b>Contract #</b> 44679	<b>Amendment #</b> 3
<b>Contractor Legal Entity Name</b> Business Information Systems			<b>Edison Vendor ID</b> 0000100828
<b>Amendment Purpose &amp; Effect(s)</b> Adjust contract language to reflect assignment of ownership for contractor entity.			
<b>Amendment Changes Contract End Date:</b> <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		<b>End Date:</b> 03/31/2022	
<b>TOTAL Contract Amount INCREASE or DECREASE per this Amendment</b> (zero if N/A): \$0			
<b>Funding —</b>			
<b>FY</b>	<b>State</b>	<b>Federal</b>	<b>Interdepartmen tal</b>
2016	1,106,801		
2017	5,163,646		
2018	5,461,067		
2019	7,598,687		
2020	3,705,066		
2021	7,787,050		
2022	3,908,510		
<b>TOTAL:</b>	<b>34,730,827</b>		
<b>American Recovery and Reinvestment Act (ARRA) Funding:</b> <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO			
<b>Budget Officer Confirmation:</b> There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.		<i>CPO USE</i>	
<b>Speed Chart</b> (optional)	<b>Account Code</b> (optional)		



June \_\_\_\_\_, 2021

Tennessee Department of Revenue  
Attn: John Duncan, Director  
500 Deaderick St., 8th Floor  
Nashville, TN 37242

*Re: Contract, executed as of March 19, 2015, by and between Business Information Systems (“BIS”) and State of Tennessee Department of Revenue (the “State”), as amended by that certain Amendment 1, dated effective as of April 28, 2016, as further amended by that certain Amendment 2, executed as of August 30, 2018., as modified or supplemented by that certain Change Order Request, dated December 15, 2015 (collectively, the “Agreement”).*

To Whom it May Concern:

On February 1, 2021 (the “Closing Date”), i3-BIS, LLC (“Buyer”) purchased all or substantially all of the assets of BIS (the “Transaction”). The Buyer is an indirect wholly-owned subsidiary of i3 Verticals, Inc., a company headquartered in Nashville, Tennessee (the “Parent”). The Transaction was discussed with the State prior to the Closing Date and the State indicated that it is required under Tennessee law to formalize the items set forth in this letter following the Closing Date.

The purpose of this letter is twofold: (1) to formally confirm and ratify the State’s consent to the assignment of the Agreement to the Buyer; and (2) to set forth certain operational items related to Buyer’s ongoing provision of products and services to the State under the Agreement. The parties agree that the terms set forth in this letter shall constitute an amendment to the Agreement; provided, that, upon the subsequent request of either party, the terms herein must be converted into a more traditional amendment format.

### **CONSENT**

A. Subject to Buyer’s agreement to the conditions set forth in Section B and Section C immediately below, the State hereby: (a) consents and ratifies the full assignment of the Agreement to Buyer effective as of the Closing Date; (b) agrees that the Agreement will remain in full force and effect, unmodified (except to the extent expressly set forth in this letter), and in accordance with its terms following the Closing Date; and (c) waives any and all claims against BIS or Buyer that suggest the closing of the Transaction caused an event of default under the Agreement.

B. Buyer agrees to the following insurance-related covenants:

1) To maintain technology professional liability (errors & omissions)/cyber liability insurance appropriate to the Buyer's profession in an amount not less than ten million dollars (\$10,000,000) per occurrence or claim and ten million dollars (\$10,000,000) annual aggregate, covering all acts, claims, errors, omissions and negligence; and, network security and privacy risks, including but not limited to unauthorized access, failure of security, information theft, damage to destruction of or alteration of electronic information, breach of privacy perils, wrongful disclosure and release of private information, collection, or other negligence in the handling of confidential information, and including coverage for related regulatory fines, defenses, and penalties.

2) To maintain cyber insurance coverage for data breach response expenses, in an amount not less than ten million dollars (\$10,000,000), that covers items that include but are not limited to consumer notification, whether or not required by law, computer forensic investigations, public relations and crisis management firm fees, credit file or identity monitoring or remediation services and expenses in the performance of services for the State or on behalf of the State.

3) To maintain crime insurance, which shall be written on a "loss sustained form" or "loss discovered form" providing coverage for third party fidelity, including cyber theft and extortion. At or near the termination or expiration of the Agreement, the State may direct Buyer to purchase a tail policy to extend the reporting period under the crime insurance for an additional two (2) years.

4) To maintain a crime insurance policy with a limit of not less than one million dollars (\$1,000,000) per claim and one million dollars (\$1,000,000) in the aggregate. Such crime insurance policy shall contain a Social Engineering Fraud Endorsement with a limit of not less than two hundred and fifty thousand dollars (\$250,000). This insurance may be written on a claims-made basis, but in the event that coverage is cancelled or non-renewed, the Buyer shall purchase an extended reporting or "tail coverage" of at least two (2) years after the term.

C. Buyer agrees to the following covenants:

1) Buyer shall maintain the software that it provides under the Agreement (the "Application") so that it will run on a current, manufacturer-supported Operating System. "Operating System" shall mean the software that supports a computer's basic functions, such as scheduling tasks, executing applications, and controlling peripherals.

2) If the Application requires middleware or database software, Buyer shall maintain middleware and database software versions that are at all times fully compatible with current versions of the Operating System and Application to ensure that security vulnerabilities are not introduced.

3) The Buyer and all data centers used by the Buyer to host State data, including those of all subcontractors, must comply with the State's Enterprise Information

Security Policies as amended periodically. The State's Enterprise Information Security Policies document is found at the following URL: <https://www.tn.gov/finance/strategic-technology-solutions/strategic-technology-solutions/sts-security-policies.html>.

4) While performing its obligations under the Agreement, Buyer may have access to Personally Identifiable Information held by the State ("PII"). As used herein, "PII" includes "Nonpublic Personal Information" as that term is defined in Title V of the Gramm-Leach-Bliley Act of 1999 or any successor federal statute, and the rules and regulations thereunder, all as may be amended or supplemented from time to time ("GLBA") and personally identifiable information and other data protected under any other applicable laws, rule or regulation of any jurisdiction relating to disclosure or use of personal information ("Privacy Laws"). Buyer agrees it shall not do or omit to do anything which would cause the State to be in breach of any Privacy Laws. Buyer shall, and shall cause its employees, agents and representatives to: (i) keep PII confidential and may use and disclose PII only as necessary to carry out those specific aspects of the purpose for which the PII was disclosed to Buyer and in accordance with the Agreement, GLBA and Privacy Laws; and (ii) implement and maintain reasonable and appropriate technical and organizational measures regarding information security to: (A) ensure the security and confidentiality of PII; (B) protect against any threats or hazards to the security or integrity of PII; and (C) prevent unauthorized access to or use. Buyer shall immediately notify State: (1) of any disclosure or use of any PII by Buyer or any of its employees, agents and representatives in breach of the Agreement; and (2) of any disclosure of any PII to Buyer or its employees, agents and representatives where the purpose of such disclosure is not known to Buyer or its employees, agents and representatives. The State reserves the right to review Buyer's policies and procedures used to maintain the security and confidentiality of PII and Buyer shall, and cause its employees, agents and representatives to, comply with all reasonable requests or directions from the State to enable the State to verify or ensure that Buyer is in full compliance with its obligations under the Agreement in relation to PII. Upon termination or expiration of the Agreement or at the State's direction at any time in its sole discretion, whichever is earlier, Buyer shall immediately return to the State any and all PII which it has received under the Agreement and shall destroy all records of such PII. The Buyer shall report to the State any instances of unauthorized access to or potential disclosure of PII in the custody or control of Buyer ("Unauthorized Disclosure") that come to the Buyer's attention. Any such report shall be made by the Buyer within twenty-four (24) hours after the Unauthorized Disclosure has come to the attention of the Buyer. Buyer shall take all reasonable and necessary measures to halt any further Unauthorized Disclosures. The Buyer, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals whose PII was affected by the Unauthorized Disclosure, except to the extent the Unauthorized Disclosure was caused by the State or a third party engaged by the State. The Buyer shall bear the cost of notification to all individuals affected by the Unauthorized Disclosure, including individual letters and public notice, except to the extent the Unauthorized Disclosure was caused by the State or a third party engaged by the State. The remedies set forth in this Section are not exclusive and are in addition to any claims or remedies available to this State under the Agreement or



otherwise available at law. The obligations set forth in this Section shall survive the termination of the Agreement.

### **OPERATIONAL ITEMS**

The Buyer agrees to the following:

A. It is the Buyer's good faith intent that the BIS personnel who performed BIS's obligations under the Agreement prior to the Closing Date would remain unchanged and those individuals would continue to be assigned to the vehicle title and registration system project following the Closing Date;

B. It is the Buyer's good faith intent that the high level of customer service provided to the State under the Agreement prior to the Closing Date would remain high following the Closing Date; and

C. It is the Buyer's good faith intent that the high level of customer service provided by BIS to various Tennessee county clerks' offices prior to the Closing Date would remain high following the Closing Date.

For the avoidance of doubt, the foregoing statements of intent reflect Buyer's good faith business goals in respect of the services provided to that State and the various Tennessee county clerks' offices, and Buyer will use its commercially reasonable efforts to carry out this intent; provided, that, the foregoing statements shall not be interpreted to prohibit Buyer from operating its business in a manner that Buyer and its Parent, in the exercise of their business judgment, believe is in the best interest of their business, employees and shareholders.

*[Signatures Follow on Next Page]*

The signatures set forth below confirm the agreement of Buyer and the State to the terms set forth above in this letter.

**i3-BIS, LLC**

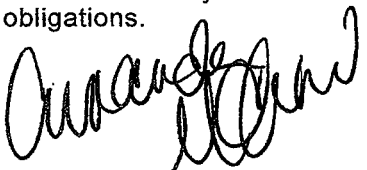
By: \_\_\_\_\_  
Name: Rick Stanford  
Title: President

**TENNESSEE DEPARTMENT OF REVENUE**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



## CONTRACT AMENDMENT COVER SHEET

<b>Agency Tracking #</b> 34701-11096	<b>Edison ID</b> 44679	<b>Contract #</b> 44679	<b>Amendment #</b> 2			
<b>Contractor Legal Entity Name</b> Business Information Systems			<b>Edison Vendor ID</b> 0000100828			
<b>Amendment Purpose &amp; Effect(s)</b> Due to a change in the Tenn. Code Ann., the vendor will provide additional registration and title issuance services. The cost of these additional services is noted in Section C.3.a.						
<b>Amendment Changes Contract End Date:</b> <input checked="" type="checkbox"/> NO		<input type="checkbox"/> YES	<b>End Date:</b> 03/31/2022			
<b>TOTAL Contract Amount INCREASE or DECREASE per this Amendment</b> (zero if N/A): <b>\$264,685.51</b>						
<b>Funding —</b>						
<b>FY</b>	<b>State</b>	<b>Federal</b>	<b>Interdepartmen tal</b>	<b>Other</b>	<b>TOTAL Amount</b>	<b>Contract</b>
2016	1,106,801				1,106,801	
2017	5,163,646				5,163,646	
2018	5,461,067				5,461,067	
2019	5,615,870				5,615,870	
2020	5,687,883				5,687,883	
2021	5,804,233				5,804,233	
2022	5,891,327				5,891,327	
<b>TOTAL:</b>	<b>34,730,827</b>				<b>34,730,827</b>	
<b>American Recovery and Reinvestment Act (ARRA) Funding:</b> <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO						
<b>Budget Officer Confirmation:</b> There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.  7/12/18				<b>CPO USE</b>		
<b>Speed Chart (optional)</b>		<b>Account (optional)</b>		<b>Code</b>		

## **ATTACHMENT 2 REQUIREMENTS**

### **Requirements**

#### **1. Title**

- a) The VTRS will Issue vehicle titles
- b) The VTRS will Issue vehicle salvage certifications
- c) The VTRS will Issue vehicle non-repairable certifications
- d) The VTRS will Issue duplicate titles
- e) The VTRS will Revoke or inactivate titles
- f) The VTRS will accommodate permanent and multiple title brands, such as rebuilt, flood damaged, or methamphetamine vehicle. Certain brands are permanent and must always be associated with the vehicle.
- g) The VTRS will perform VIN validation when a vehicle is added to the system except when the VIN is assigned to the vehicle by Tennessee (TNVIN)
- h) The VTRS will route or assign the title to the appropriate owner or lien holder
- i) The VTRS will direct correspondence to the appropriate individual in the event a vehicle is leased and reported as an abandoned vehicle.
- j) The VTRS will Record and discharge liens on a vehicle when received in bulk from a lender (batch lien discharge).
- k) The VTRS will associate more than one lien on the same vehicle.
- l) The VTRS will automatically discharge liens, when appropriate
- m) The VTRS will calculate titling fees
- n) The VTRS will calculate wheel tax fees.
- o) The VTRS will calculate additional fees.
- p) The VTRS will calculate county fees.
- q) The VTRS will Calculate Tennessee state and local sales tax due by the customer when appropriate using sites of owner residence or "first operation" (dealer)
- r) The VTRS will Title a vehicle without registering the vehicle
- s) The VTRS will automatically invalidate a title when a subsequent title is issued
- t) The VTRS will Record the odometer reading and the odometer reading date when required
- u) The VTRS will accommodate odometer brands and/or exemptions
- v) The VTRS will permit titling of vehicles that are not self-propelled
- w) The VTRS will permit titling of low speed and medium speed vehicles
- x) The VTRS will prevent ownership transfer if the vehicle is Nonrepairable or Crushed or if the title status is not issued.
- y) The VTRS will Process titles for a surviving spouse and calculate the associated fees. (Free within one year of spouse death, fee thereafter.)
- z) The VTRS will allow for the Tennessee precertification process of salvage vehicles and issue rebuilt titles when approved

#### **1A. Title – Dealer Drive Out Tags**

- a. The VTRS will support a website for Automobile Dealers in TN to receive Drive Out Tags.
- b. The VTRS will support dealer entered registration through a Web Portal.
- c. The VTRS will support print a temporary tag on a Dealer Printer.
- d. The VTRS will support the capture of Title information including VIN, Owner, Lien Company Information to be used in Title and Registration.
- e. The VTRS will support electronically batching a list of registrations to the correct County daily.
- f. The VTRS will support printing a list of registrations for the Dealer to mail or deliver to the County Clerk's office.
- g. The VTRS will support the calculation of fees associated with the list of registrations and include the calculation on the lists.

- h. The VTRS will support County systems receiving the electronic batch into a work queue for handling.
- i. The VTRS will support bar coding information printed on the temporary tag.
- j. The VTRS will support a mobile friendly website for law enforcement use to scan a bar code on the printed temporary tag to determine if the tag is legitimate.
- k. The VTRS will support immediate update to a Temporary Tag database at the time of printing so that the verification is available immediately.
- l. The VTRS will support Dealer specific Accounts.
- m. The Contractor will provide support for dealers at times convenient for the dealers at times to be approved by the State.
- n. The Contractor will be responsible for contacting Dealers about availability of DDOT interface.
- o. The VTRS will support VIN Decoding the dealer entry.
- p. The VTRS will support an Automated Clearing House ("ACH") based process between the Dealer and Contractor for capture of the DDOT transaction fee and State Printing Fee.
- q. The Contractor will support an ACH process for transferring funds for the Temporary Tag Printing fee to State.
- r. The VTRS will support the generation of unique temporary tag numbers.
- s. The VTRS will support edits to exclude unacceptable words that may be generated for the tag.
- t. The VTRS will support a User Interface at the County Clerk's office for the efficient processing of Dealer servicing Titles and Registrations.
- u. The VTRS will support the capture and transmittal of required fields for processing Titles and Registrations.
- v. The VTRS will support bar coded batch cover sheets for dealer transactions.
- w. The VTRS will support self-service User Maintenance for password and User Account information.
- x. The VTRS will support the printing of reports as determined by State.
- y. The Contractor will support pre-payment of funds for use in issuing Dealer Tags.
- z. The VTRS will support Dealer controlled administration of dealer employee accounts.
- aa. The VTRS will protect Personal Identifiable Information as required by law.

## **2. Registration-Renewal**

- a) The VTRS will Process applications for registrations
- b) The VTRS will Assign license plates to vehicles
- c) The VTRS will Track plate inventories
- d) The VTRS will Prevent registration or renewal when the registrant has failed to comply with Tennessee's Financial Responsibility law
- e) The VTRS will Allow registration and renewal of vehicles that are not titled in the state of Tennessee
- f) The VTRS will Register and renew leased vehicles (the owner is not the same as the registrant)

## **ATTACHMENT 2 REQUIREMENTS**

- g) The VTRS will tie registration or renewal to a single physical address unless the vehicle is being titled and registered in the first county of operation (for example, a new car dealer sale) or if the salvage or nonrepairable certification is provided to a business
- h) The VTRS will validate emissions testing where appropriate
- i) The VTRS will identify and process vehicles exempt from emissions testing
- j) The VTRS will Process vehicles with emissions waivers
- k) The VTRS will accommodate permanent registrations
- l) The VTRS will accommodate staggered registrations
- m) The VTRS will accommodate the sale of plates that are not tied to specific vehicles (such as Dealer plates or OEM (Original Equipment Manufacturer) plates)
- n) The VTRS will automatically calculate the registration expiration date by plate class but allow authorized users to override this date
- o) The VTRS will accommodate fixed standard registrations by plate class (For example, all National Guard plates expire in September of each year)
- p) The VTRS will prorate registration fees where appropriate.
- q) The VTRS will allow registration of low speed and medium speed vehicles.
- r) The VTRS will assign plates to vehicle types appropriately
- s) The VTRS will allow transfer of registration and plate to another vehicle
- t) The VTRS will prevent reassignment of registration when appropriate
- u) The VTRS will prevent the renewal of certain plate classes and obsolete plate classes
- v) The VTRS will Assign, renew, and relinquish the rights to personalized plates
- w) The VTRS will manage a "naughty" word list and decline a plate order for a word that violates.

### **2A. Registration-Renewal (James Lee Atwood Law)**

- a. The VTRS will support insurance verification, as required by the James Lee Atwood Law.
- b. The VTRS will support Insurance Industry Committee on Motor Vehicle Administration ("IICMVA") standards. <http://www.iicmva.com/>
- c. The VTRS will support such other standards or formats authorized by law. (Insurance carriers are not required to support IICMVA standards.
- d. The VTRS will support effective date lookups with ability to respond to effective dates 6 months prior to the date of the request.
- e. The VTRS will support the creation of an Insured Vehicle database containing all records received from Insurance providers.
- f. The VTRS will support Web Services Inquiry to IICMVA signatory companies to determine status of coverage.
- g. The VTRS will support Full Book of Business download using IICMVA standards.
- h. The VTRS will support the identification of Registered Vehicles without active Insurance coverage.
- i. The VTRS will support retention of all compliance efforts on a VIN basis.
- j. The VTRS will support retention of all compliance efforts on a Registrant basis.
- k. The VTRS will support real time Insurance coverage information Inquiry requests from other systems and secured internet applications
- l. The VTRS will support Web Services Inquiries.
- m. The VTRS will support Incremental Updates using IICMVA standards.
- n. The VTRS will support Batch processes for matching Registered Vehicles with a database of Insured Vehicles.
- o. The VTRS will support regularly scheduled incremental updates specific to Insurance provider.
- p. The VTRS will support Web Entry of Coverage information from Insurance Companies that do not meet the criteria for file transfer as defined in the law.

- q. The VTRS will support Notification of non-compliance to VIN registrants on a schedule basis.
- r. The VTRS will support analysis reporting as determined by law and administrators.
- s. The VTRS will support automated creation of correspondence to be distributed by State data center.
- t. The Contractor shall be responsible for identifying and contacting IICMVA insurance companies to begin State required data exchange.
- u. The Contractor shall report status of identified insurance companies' exchange status Monthly indicating the number of VINS insured as well as the number of VINS that have dropped coverage without a corresponding replacement.
- v. The VTRS will support a grace period for new registrations before issuing compliance letters.
- w. The VTRS will support State controlled, easily maintained, changes to State thresholds for Grace Period, 1<sup>st</sup> Letter response time, 2<sup>nd</sup> Letter response time, and any other criteria that may be determined.
- x. The VTRS will support the capture of Insurance Policy information at point of Registration.
- y. The VTRS will support real time verification of accuracy at point of registration if insurance company supports Online Insurance Verification using IICMVA standards.
- z. The VTRS will support suspension of Registration as determined by State.
- aa. The VTRS will support the collection and all reporting necessary for the collection and distribution of funds collected by authority of the Law.
- bb. Additional requirements may be identified and approved by State.

## **2B. Registration-Renewal – Dealer Drive Out Tags**

- a. The VTRS will support an automated Interface from Dealers in support of Registration.
- b. The VTRS will support efficient access and processing by County Clerks using Dealer electronically submitted information.
- c. Additional requirements may be identified and approved by State.

## **3. POS**

- a) The VTRS will Accept payment for incomplete transactions
- b) The VTRS will Process refunds appropriately (including refunds of prorated amounts, and refunds for overpayments)
- c) The VTRS will endorse checks
- d) The VTRS must accept credit card payments or have the ability to work around and be PCI compliant.
- e) The VTRS will Provide robust financial controls
- f) The VTRS will Process "bad checks" (insufficient remittances), including maintaining a count of the number of "bad checks" written by the customer.
- g) State if the system will place "automatic" stop if x number of checks are received within a predetermined timeframe.
- h) The VTRS will calculate appropriate penalty and interest
- i) The VTRS will Balance and reconcile cash drawers.
- j) The VTRS will Prepare and track multiple daily bank deposits
- k) The VTRS will Accept and post payments from multiple County Clerks
- l) The VTRS will Process and track fee and payment adjustments
- m) The VTRS will provide customer receipts and official registration documents
- n) The VTRS will distribute fees according to Tennessee funds allocation rules
- o) The VTRS will process transactions on a real time basis to a central database from county clerk locations

- p) The POS must have a work around if the database is not accessible.

## **ATTACHMENT 2 REQUIREMENTS**

### **4. Work Flow**

- a) The VTRS will provide rules-based work assignments
- b) The VTRS will provide tracking of work assignments
- c) The VTRS will allow authorized users/supervisors to transfer individual assignments or groups of assignments
- d) The VTRS will enable access to assigned work and allow completion of work assignments
- e) The VTRS will enable the production of correspondence to the customer when appropriate
- f) The VTRS will maintain tracking of customer communications.
- g) The VTRS will auto generate standardized letters based on errors including omission of Data or forms.
- h) The VTRS will allow a rep to generate a customized letter based on a unique situation and distribute it to the appropriate party.
- i) The VTRS will automatically manage receipt of additional information or documents needed to complete the issuance of a title.

### **5. Batch Jobs**

- a) The VTRS will calculate renewal notices (who is eligible to receive—what total fees are (varies by zip)
- b) The VTRS will generate renewal notices.
- c) The VTRS will verify renewal notices.
- d) The titles will be printed/distributed paper or email
- e) The titles will be printed/distributed by instant print or batch
- f) The titles will be printed/distributed by preprinted or automatically

### **6. Reporting**

- a) The VTRS will provide a report of vehicles registered in a county that differs from the county of residence.
- b) The VTRS will produce Exception Reports
- c) The VTRS will produce reports on incomplete transactions.
- d) The VTRS will produce Performance Reports indicating work processed by individual as well as group totals
- e) The VTRS will produce Inventory Reports
- f) The VTRS will produce Financial Reports
- g) The VTRS will produce Ad Hoc Reports
- h) The VTRS will produce Reports of all inquiries into TIES Data, regardless of the outcome of the inquiry (even if no transaction is completed)
- i) The VTRS will produce Reports of all external inquiries into the system from external systems (such as RQ, IVTR, and CJP)
- j) The VTRS will produce Aging reports indicating pending transactions including those with rejection letters.
- k) The VTRS will produce Invoice reports to facilitate payment to County Clerks for completed transactions



## REQUIREMENTS

## ATTACHMENT 2

### 7. Inventory

- a) The VTRS will accommodate an unlimited number of plate classes, including but not limited to personalized, cultural, specialty, new specialty, special purpose, and military plates.
- b) The VTRS will identify the acceptable usage of each plate (such as private, commercial, or other usages) and the vehicle types to which these plates may be assigned.
- c) The VTRS will assign and track controlled stock
- d) The VTRS will allow recall, revocation, and/or cancellation of state-issued products, such as titles, registrations, plates, permits, and placards
- e) The VTRS will provide for the replacement of lost, stolen, or damaged Tennessee products
- f) The VTRS will Process and track controlled stock shipments
- g) The VTRS will correct inventory, such as returning items to the inventory
- h) The VTRS will Evaluate, propose, and track reorder points
- i) The VTRS will be able to handle duplicate plate numbers or have a work around for the state numbers that are repeated in different plate classes.

### 8. Audit

- a. The VTRS shall generate alerts based on defined business rules and sent to appropriate staff
- b. Transaction History
  - 1) The VTRS shall record for all Data records the date, time, user ID, IP address created and modified by.
  - 2) The VTRS shall track all record additions, changes and deletes, including the ability to recreate a record's change history.
  - 3) The VTRS shall mark deleted records for deletion but not remove the records from the database until purged.
- c. Audit Capabilities
  - 1) The VTRS shall provide secure and comprehensive audit capabilities.
  - 2) The VTRS shall provide for audit trails that capture user identity, time, location, programs used and cause. Audit trails shall be recorded securely with restricted and controlled access. Audit records shall be secure, resistant to tampering, deletion, alteration and must not allow exposure of sensitive Data to unauthorized persons.
  - 3) Audit records shall include date, time stamp, workstation IP and Hostname, User account ID and program ID.
  - 4) The VTRS shall provide audit trails for all production of credentials and other controlled documents.
  - 5) The VTRS shall provide audit trails for all record inquiries, creation, changes and deletions including, but not limited to, all transactions that change customer demographic Data.
  - 6) The VTRS shall provide audit trails for all access to and the release of sensitive Data from the VTRS, including documents supporting identity.
  - 7) The VTRS shall provide audit trails for all money collected or disbursed for all transactions on the VTRS in conjunction with state cashiering system.
  - 8) The VTRS shall provide an audit trail and report capabilities for all VTRS overrides, e.g. override for fees paid.

## ATTACHMENT 2 REQUIREMENTS

- 9) The VTRS shall randomly select a number of customer transactions for audit, including specifying transactions from a selected user.
- 10) The VTRS shall provide an audit trail for access to audit logs and records and detect, log and report immediately to security officers, attempts to access or alter audit logs by unauthorized persons. The VTRS shall provide a means to flag and report VTRS administrator specified suspicious activity.
- 11) The VTRS shall provide a means to recreate all of a particular VTRS user's activity and all changes to a particular customer (or other VTRS subject)'s records for a specified period of time. The information shall be presented in a user friendly report format.
- 12) The VTRS shall provide a means to flag and report any instances where one user account is logged on from multiple locations.
- 13) The VTRS shall provide logs and audit trails of all interactions, including transactions and Data exchanges over provided interfaces, between the VTRS and other external systems.
- 14) The VTRS shall provide logs and audit trails of all significant interactions between modules and services provided by components of the VTRS, sufficient to identify security risks, breeches, performance issues and reliability issues.
- 15) The VTRS shall provide standard reports, to be developed in conjunction with state staff, for audit functions, e.g. report showing incomplete transactions by a user.
- 16) The VTRS shall provide ad-hoc inquiry and reporting functions on any Data field in the VTRS by designated VTRS auditors. The VTRS shall provide the ability for the TDOR staff to select the output option at the time the query or report is run, including screen display, print, spreadsheet, pdf, xml.

### 9. Training

The Contractor shall deliver no less than four (4) different levels of training (defined below) to the State employees. Each training level will be tailored to a specific audience, which correlates with the State employee's specific job duties. The Contractor shall deliver initial training courses on all levels during the implementation phase of the project. The time frame and schedule for the Contractor to conduct initial training courses will be detailed in the State-approved project work plan. The following minimum requirements apply to each level of training provided by the Contractor:

- While implementing the system, the Contractor shall provide sufficient training on the full use of hardware, peripherals, and software.
- The Contractor shall provide a hardcopy user guide and job aid to each student for each level of training that contains information, procedures, and instructions specific to the installed system.
- The Contractor shall provide softcopies of all user guides and job aids for each level of training to the State. The Contractor shall grant the State a royalty free license to reproduce and distribute unlimited additional copies of all documentation and training material at no expense.
- The State reserves the right to make audio and video recordings of any and all training sessions at no additional cost to the State for later use by the State.

#### Training Levels

The State requires a minimum four (4) different levels of training, as described in this section.

## ATTACHMENT 2 REQUIREMENTS

The Contractor shall deliver materials in accordance with the sample training materials representative of what will be developed and delivered for this project as identified in the Contractor's proposal. Published documentation is preferred, but the Contractor may modify and deliver handouts, diagrams, graphics, and/or other training aids that have been developed for use with other customers.

1. System Administrator  
This training will provide the State technical staff the knowledge necessary to operate and troubleshoot the system.
2. Account Administrator  
This course will be a minimum of 8 hours and shall cover functions associated with administering user operations of the system, including but not limited to managing accounts for Workstation Operators, performing any periodic functions, creating reports.
3. Train the Trainer  
This course will be a minimum of 40 hours to provide the knowledge necessary for the State staff to deliver general end-user training, including the classroom set up, instructor's notes, and common student questions. Contractor shall deliver their approach to a "train the trainer" plan to train the State personnel as described in their proposal. The training plan shall include the identification of required documents and a training timeline. The State requires the Contractor to train the State designated trainers at the headquarters facility in Nashville; TN. Contractor shall address expected timeline, format, and structure for the training of the State personnel.
4. General End-User Training  
This training will be delivered to all staff using the VTRS and shall cover all user functions. This training will be a minimum of 24 hours to provide the knowledge necessary for all VTRS users to perform all system-related job functions.

### Training Locations

The initial number of seats required for each level of training prior to implementation of the Contractor's solution is as follows:

Level	Training Description	Training Location	Total Number of Attendees
1	System Admin Training	TBD	TBD
2	Account Admin Training	TBD	TBD
3	Train the Trainer	TBD	TBD
4	General End User Training	TBD	TBD

## ATTACHMENT 2 REQUIREMENTS

## **10. Technical Manuals**

The Contractor shall provide Technical Manuals that meet the following minimum requirements:

- a. The Contractor shall have complete technical manuals, which describe overall aspects of the system configuration, operating instruction, and problem diagnosis of all components and features of the VTRS and the corresponding technical specifications.
- b. The Contractor shall maintain comprehensive documentation on all software aspects of the VTRS and will provide to the State electronic copies of said documentation as revisions and changes are made. Documentation will include, but not be limited to, file structure, directory structure, database record layout, workstation architecture, system architecture, registry settings/entries, and services utilized.
- c. The Contractor shall provide at least five (5) full hardcopy sets of technical manuals and RFP 34701-00113 documentation materials to the State. The technical manuals and documentation materials must also be provided to the State in electronic format.
- d. The Contractor shall provide the State the original source code, and updated source code when any application changes are made to any part of the VTRS. Source code shall be provided to the State within five (5) business days of implementation into the production environment.
- e. The Contractor shall not remove or redact any part of the technical manuals except to remove errors. Whenever an update is made to reflect a change in the VTRS, the obsolete information shall remain intact, accessible by the State, and be clearly marked that the information is updated, the period of time the information reflected the actual VTRS design, and a reference to where the updated information is located.
- f. The Contractor shall make all changes to all copies of technical manuals supplied to the State.
- g. The Contractor shall grant the State a royalty free license to reproduce and distribute unlimited additional copies of all technical manuals, documentation, and training material at no expense.

## **11. Error Handling**

- a. System error messages shall be consistent throughout the system, including codes understandable text descriptions, and screen locations.
- b. The VTRS shall send an alert to specified people to inform them of critical system issues.
- c. The VTRS shall support rapid failover or redeployment of system components in the event of a planned or unplanned interruption.
- d. Error Correction: The VTRS shall highlight errors on the screen for immediate correction.
- e. The VTRS shall record and produce error statistics including, but not limited to module, source, or time.



**AMENDMENT  
OF CONTRACT 000000044679**

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This Amendment 1 to Contract 000000044679 is made and entered by and between the State of Tennessee, Department of Revenue, hereinafter referred to as the "State" and Business Information Systems, hereinafter referred to as the "Contractor." For good and valuable consideration, the sufficiency of which is hereby acknowledged, it is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

1. Contract section A.2 is deleted in its entirety and replaced with the following:

**A.2. High Level Description**

The State wishes to procure a Contractor solution which consists of the core database to process and store motor vehicle records, as defined under Tenn. Code Ann. § 55-25-103(6), and related images for all vehicles titled and/or registered in the State. The State shall administer such registrations in compliance with Tennessee Code Annotated. Consideration must separately be given to the input of Data at the county clerk level and the state operated facilities. There are a number of interfaces that will need to be developed and supported, including various law enforcement agencies (e.g., Tennessee Bureau of Investigation, local police departments), and other information contractors such as R.L. Polk's VINA, NMVTIS, and others.

The contemplated new system must be structured to allow for flexibility, growth and increased automation in the coming years. New and enhanced customer service portals should be available. Online renewal and online ordering of personalized plates are examples of consumer activities any proposed system should handle efficiently. Customer service is not limited to the consumer public. Self-service capabilities might also encompass portals created for dealers, lienholders and others.

The scope of the Motor Vehicle Title and Registration System (VTRS) project encompasses replacement of the State's current motor vehicle title and registration system (the "Legacy" system), including but not limited to comprehensive project management, business process and system analysis, provision of packaged software, software customization, and development of system interfaces, testing, training, system implementation and support. The following is a description of the new VTRS and other Tennessee Department of Revenue (TDOR) systems with which the proposed VTRS must integrate. The Contractor will be providing only the VTRS, not the other TDOR systems. Refer to Attachment 5 - Background Information. Attachment 6 - Existing System Interface is representative of the State's expectations for required interface development and shall be finalized during the development of the Comprehensive Management Plan.

The State acknowledges that Contractor has had, and will continue to have, a contractual obligation to 94 of the 95 counties in the State to provide information technology solutions. These solutions include a variety of applications including the capture of information required for submittal to State in support of legal requirements of the Vehicle Services Division of the Department of Revenue.

The State and Contractor agree to the following to limit the scope of this agreement during the term of this contract:

- a. Contractor support and agreements with counties are outside the scope of this contract and State will not interfere in the relationship that exists now, or may exist in the future with any of the counties.
- b. Contractor will retain autonomy in the design and support of application systems contracted with the counties.
- c. Contractor agrees that systems provided under direct contract with the counties will support the capture of data elements required to support present and future legal requirements of the State that are administered by Vehicle Services. The methods used by Contractor to capture these data elements are the sole responsibility of Contractor.

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- d. Counties are free to contract with Contractor for IT operational services without State intervention. Counties are recognized as having responsibility for security of the information captured by the county applications. This responsibility may include, but is not limited to, programming, facilities, hardware, backup systems, disaster recovery services or other services

2. Contract section A.3 is deleted in its entirety and replaced with the following:

**A.3 Project Management**

The State requires that the Contractor follow a systematic approach to the design, development, and implementation of the VTRS to ensure that a comprehensive and expandable system is implemented. The State of Tennessee's Information Technology Project Management Methodology is Tennessee Business Solutions Methodology (TBSM). TBSM is based on the principles set forth by the Project Management Institute (PMI) and on industry best practices that are adapted to meet the State's needs. The table below provides a high level illustration of the TBSM project phases and activities included, but not limited to the standard project management templates, tasks and deliverables.

Table 1, Tennessee Business Solutions Methodology

Pre-Engagement Phase	Project Initiation	Project Planning	Project Execution	Project Closing
			Project Monitoring & Control	
Business Case Development Project Charter Stakeholder Identification Project Selection Project Approval	Project Charter Stakeholder Identification Project Selection Project Approval	Project Charter Stakeholder Identification Project Selection Project Approval	Project Charter Stakeholder Identification Project Selection Project Approval	Project Charter Stakeholder Identification Project Selection Project Approval

The Contractor will be required to utilize the TBSM model including the templates or a comparable project management methodology and accompanying template documents similar to the TBSM. A detailed list of expected Project Management deliverables and descriptions can be found on the State's Internet page at: <http://www.tn.gov/finance/tbsm/tbsm.shtml>. The Contractor should address all the Deliverables for the life-cycle phases in their project plan but can organize and plan for the accomplishment of the work based on their experience with projects of similar scale and scope. The Contractor shall conform to the Comprehensive Project Management Plan in Attachment 1, which is incorporated into this Contract. The Comprehensive Project Management Plan will contain defined acceptance criteria for each phase of the project outlined below. It is anticipated that the Comprehensive Project Management plan may change throughout the life of this contract. Modifications and updates to the Comprehensive Project Management Plan will not require an amendment so long as it does not materially change the Scope of Services outlined in this contract.

The Contractor shall define the overall Project Management approach for the project and should describe, in general terms, the roles and authorities of project team members from both the State staff and the Contractor staff. The Project Management Approach should be based on the Contractor's best practices and experience, and should be fully described in the section of the Project Management Plan. The Contractor shall meet all Project Management requirements resulting deliverables defined in this Section and included in Attachment 2, which is incorporated into this Contract, regardless of the approach proposed. Each subsection within the Contract requirements provides a narrative on the requirements, followed by a table defining the tasks and Deliverables to be fulfilled by the Contractor.

The State shall dedicate a full time Business Analyst and assign appropriate project management resources to support the development and implementation of the James Lee Atwood Law. Such



dedicated resources shall be supplied until State and Contractor agree that dedicated resources are not required.

The State has identified the following tasks/deliverables which include current functions/features as well as new development items specific to the State. Additional items may be included in the scope of the project as the Contractor works with the State to further identify requirement needs. These items will be delivered in eight (8) phases.

<b><u>Project Milestone</u></b>	<b><u>Description</u></b>	<b><u>Target Date</u></b>
	<b><u>Deliver Comprehensive Project Management Plan for initial review and approval.</u></b>	<b><u>1-2 months after contract start date.</u></b>
Phase 1	Gathering requirements, business rules, outside connections, database layout specification, and designing enhancements and new software	6 – 9 months after contract start date
Phase 2	Install, configure, and test hardware infrastructure, provision of a review of the project and project timeline to ensure alignment with project schedule	9 – 12 months after contract start date
Phase 3	Develop, test, train, and plan implementation	10 – 20 months from contract start date
Phase 4	Implement Pilot	20 – 22 months from contract start date
Phase 5	Data conversion and system implementation to satisfactory production operations ("Go-Live", as defined below)	24 months from contract start date
Phase 6	Post Implementation Support	25 – 30 months from contract start date
Phase 7	Warranty	31 – 42 months from contract start date
Phase 8	Ongoing maintenance	Term of Contract

The State shall review the Project Management approach. Upon the State's written acceptance of the Project Management approach, the Contractor shall be required to follow the approved Project Management approach.

The Contractor shall notify the State upon the completion of each Phase. The State will issue written acceptance that the Phase is complete and in accordance with the Comprehensive Project Management Plan. "Go-Live" shall occur upon the State's formal written acceptance of deliverables through Phase 5.

3. Contract section A.6 is deleted in its entirety and replaced with the following:

**A.6. Hosting and Security Requirements**

**e. Hosting Environment**

- The State shall host VTRS environments storing personally identifiable information ("PII"), including personal information and highly restricted personal information as defined under Tenn. Code Ann. § 55-25-103. The Contractor shall develop appropriate specifications regarding the anticipated architecture and provide the State with adequate information to evaluate the most appropriate cost model. These VTRS environments are TEST and PROD and any other VTRS environments that the Contractor and the State agree are required.



- Data – The State shall own all Data. "Data" shall mean any and all records, documents, information, and images received, processed or created in relation to a Transaction, as defined in Section C.3.b, or to a requirement or transaction described in Attachment 2, Sections 1-8. The Contractor shall provide a copy of all Data to the State upon request. Upon termination of this Contract for any reason, the Contractor shall provide all Data to the State and destroy all copies of the Data. The Contractor is strictly prohibited from selling, disclosing or providing the Data on an individual or aggregate basis for any purposes, including marketing on an internal basis or through a third party, or for any use of the Data other than as set forth in this Contract without the express written permission of the State.
- The Contractor may host a VTRS Development environment so long as the Data residing in the environment does not contain PII.
- The State shall maintain a secure hosting environment to provide required services under this Contract and receive, process, and secure all Data.
- The State shall provide the Contractor reasonable access to all State provided VTRS environments. The State will support the service level required for the proper performance of VTRS. Such support will include all networking, server, system software, and any other area affecting performance.
- The State and the Contractor agree to work toward resolution of any problem on a best efforts basis.
- The State and the Contractor may adjust configurations and environments affecting hosting by mutual agreement without requiring contract amendments. The mutually agreed goal being to provide the best services possible for the contracted price.
- The Contractor shall not be responsible for service issues arising from the State networks, State hosting, or the public Internet, but must provide evidence to support the cause of the issue originating within State networks, hosting, or the public Internet.

4. Contract section C.1 is deleted in its entirety and replaced with the following:

**C.1. Maximum Liability.** In no event shall the maximum liability of the State under this Contract exceed Thirty Four Million Four Hundred Sixty-Six Thousand One Hundred and Forty-One Dollars (\$34,466,141). The payment rates in section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any renewals of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

5. Contract section C.3 is deleted in its entirety and replaced with the following:





- Data – The State shall own all Data. "Data" shall mean any and all records, documents, information, and images received, processed or created in relation to a Transaction, as defined in Section C.3.b, or to a requirement or transaction described in Attachment 2, Sections 1-8. The Contractor shall provide a copy of all Data to the State upon request. Upon termination of this Contract for any reason, the Contractor shall provide all Data to the State and destroy all copies of the Data. The Contractor is strictly prohibited from selling, disclosing or providing the Data on an individual or aggregate basis for any purposes, including marketing on an internal basis or through a third party, or for any use of the Data other than as set forth in this Contract without the express written permission of the State.
- The Contractor may host a VTRS Development environment so long as the Data residing in the environment does not contain PII.
- The State shall maintain a secure hosting environment to provide required services under this Contract and receive, process, and secure all Data.
- The State shall provide the Contractor reasonable access to all State provided VTRS environments. The State will support the service level required for the proper performance of VTRS. Such support will include all networking, server, system software, and any other area affecting performance.
- The State and the Contractor agree to work toward resolution of any problem on a best efforts basis.
- The State and the Contractor may adjust configurations and environments affecting hosting by mutual agreement without requiring contract amendments. The mutually agreed goal being to provide the best services possible for the contracted price.
- The Contractor shall not be responsible for service issues arising from the State networks, State hosting, or the public Internet, but must provide evidence to support the cause of the issue originating within State networks, hosting, or the public Internet.

4. Contract section C.1 is deleted in its entirety and replaced with the following:

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The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any renewals of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

5. Contract section C.3 is deleted in its entirety and replaced with the following:



C.3. **Payment Methodology.** The Contractor shall be compensated after Go-Live, unless specifically stated otherwise below, based on the payment rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in section C.1.

- a. The Contractor shall be compensated monthly based on the following:
- The State shall pay the Contractor \$.58 per Transaction processed through the VTRS. "Transaction" means any initial motor vehicle registration or any renewal of a motor vehicle registration for which a fee is collected by the State, excluding government vehicles.
  - Upon renewal of this Contract, the Contractor may request an increase in the monthly payment fee. The maximum increase of the fee shall not exceed the current CPI percentage rate (as found at the Bureau of Labor and Statistics website <http://www.bls.gov/CPI/>) or three (3) percent per year, whichever is larger.
- b. The Contractor shall be compensated for changes requested and performed pursuant to Contract Section Reference, without a formal amendment of this Contract based upon the payment rates detailed in the schedule below and as agreed pursuant to Section Reference, PROVIDED THAT compensation to the Contractor for such "change order" work shall not exceed Seven Percent (7 %) of the sum of milestone payment rates detailed in Section C.1., above (which is the total cost for the milestones and associated deliverables set forth in Contract Sections A.3., through A.7.). If, at any point during the Term, the State determines that the cost of necessary "change order" work would exceed the maximum amount, the State may amend this Contract to address the need.
- c. The following daily rates shall apply for any Change Order as specified at Section A.16:

Resource/ Hourly Rates	Remote	On-site
Project Manager	\$200.00	\$250.00
Business Analyst	\$150.00	\$187.50
Developer	\$150.00	\$187.50
Documentation and Support	\$100.00	\$125.00
Other		

- d. Contractor and State agree that the following fees shall be paid in support of Pub. Ch. 511 (2015), also known as the "James Lee Atwood Law." ("Law").
- Contractor shall be paid the following sums based on delivery and approval of the deliverable described in the following table. Such approval is solely the decision of the State.

Description	Fee	Frequency
✓ State Approved Insurance Verification Requirements Document	\$ 25,000.00	1 time
✓ State Approved Insurance Verification Data Model Design Document	\$ 25,000.00	1 time
✓ State Accepted exchange of 1 Full Book of Business with an Insurance Company identified by State.	\$ 25,000.00	1 time
✓ State Accepted Web Services Interface with an Insurance Company identified by State.	\$ 25,000.00	1 time



✓ State Accepted Delivery of Compliance Selection Processing with 1 Insurance Company as jointly defined with Contractor. (Letter Writing campaign)	\$ 25,000.00	1 time
✓ State Accepted Delivery of Compliance Selection Processing with a Total of 20 Insurance Companies and the associated creation of letters to Customers. (Letter Writing Campaign)	\$ 25,000.00	1 time
✓ State Acceptance and Approval of Pilot Implementation with 1 Insurance Company as determined solely by State. (Data Exchange and Web Service Interface)	\$ 25,000.00	1 time
✓ State Accepted data exchange with 10 total State identified Insurance Companies. (Data Exchange and Web Service Interface)	\$ 25,000.00	1 time
✓ State Accepted data exchange with 20 total State identified Insurance Companies. (Data Exchange and Web Service Interface)	\$ 25,000.00	1 time
✓ Bonus for Delivery of 10 Total implemented Insurance companies on or before 1/8/2017	\$ 50,000.00	1 time
<b>TOTAL ONE-TIME FEES</b>	<b>\$ 275,000.00</b>	
✓ State Acceptance and Approval of Pilot Implementation with 1 customer as determined solely by State.	\$ 20,000.00	Monthly until Full Production Accepted.
327 2017 ✓ State Acceptance of a Production System to be determined solely by State. (Full Production)	\$ 35,000.00	Monthly for term of contract.

- e. Contractor and State agree that the following fees shall be paid in support of Contractor providing Dealer Drive Out Tag functionality described herein.
- Contractor shall be paid the following sums based on delivery and approval of the deliverable described in the following table.

Description	Fee	Frequency
✓ Initial fee payable to begin delivery of Dealer Drive Out Tag Pilot application payable at execution of this Amendment	\$ 25,000.00	1 time
Per transaction fee payable to Contractor on Acceptance of the Dealer Drive Out Tag application.	\$ 1.00	Per Dealer Drive Out Tag transaction

- f. The Contractor and the State agree that the additional cost increases and decreases associated with this Amendment do not warrant a change to the contractual terms. Both parties acknowledge there will be no change to Section C.3.b covering monthly per transaction cost resulting from this Amendment.

6. Contract Attachment 2 is deleted in its entirety and replaced with the new attachment 2 attached hereto.



Required Approvals. The State is not bound by this Amendment until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

Amendment Effective Date. The revisions set forth herein shall be effective April 28, 2016. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

CONTRACTOR LEGAL ENTITY NAME: Business Information Systems

Christopher Lee Laivore 4/8/2016  
SIGNATURE DATE

Christopher Lee Laivore CEO  
PRINTED NAME AND TITLE OF SIGNATORY (above)

STATE AGENCY NAME: Department of Revenue

Richard H. Roberts 4/4/2016  
RICHARD H. ROBERTS, COMMISSIONER DATE



## ATTACHMENT 2 REQUIREMENTS

### Requirements

#### 1. Title

- a) The VTRS will Issue vehicle titles
- b) The VTRS will Issue vehicle salvage certifications
- c) The VTRS will Issue vehicle non-repairable certifications
- d) The VTRS will Issue duplicate titles
- e) The VTRS will Revoke or inactivate titles
- f) The VTRS will accommodate permanent and multiple title brands, such as rebuilt, flood damaged, or methamphetamine vehicle. Certain brands are permanent and must always be associated with the vehicle.
- g) The VTRS will perform VIN validation when a vehicle is added to the system except when the VIN is assigned to the vehicle by Tennessee (TNVIN)
- h) The VTRS will route or assign the title to the appropriate owner or lien holder
- i) The VTRS will direct correspondence to the appropriate individual in the event a vehicle is leased and reported as an abandoned vehicle.
- j) The VTRS will Record and discharge liens on a vehicle when received in bulk from a lender (batch lien discharge).
- k) The VTRS will associate more than one lien on the same vehicle.
- l) The VTRS will automatically discharge liens, when appropriate
- m) The VTRS will calculate titling fees
- n) The VTRS will calculate wheel tax fees.
- o) The VTRS will calculate additional fees.
- p) The VTRS will calculate county fees.
- q) The VTRS will Calculate Tennessee state and local sales tax due by the customer when appropriate using sites of owner residence or "first operation" (dealer)
- r) The VTRS will Title a vehicle without registering the vehicle
- s) The VTRS will automatically invalidate a title when a subsequent title is issued
- t) The VTRS will Record the odometer reading and the odometer reading date when required
- u) The VTRS will accommodate odometer brands and/or exemptions
- v) The VTRS will permit titling of vehicles that are not self-propelled
- w) The VTRS will permit titling of low speed and medium speed vehicles
- x) The VTRS will prevent ownership transfer if the vehicle is Nonrepairable or Crushed or if the title status is not issued.
- y) The VTRS will Process titles for a surviving spouse and calculate the associated fees. (Free within one year of spouse death, fee thereafter.)
- z) The VTRS will allow for the Tennessee precertification process of salvage vehicles and issue rebuilt titles when approved

#### 1A. Title – Dealer Drive Out Tags

- a. The VTRS will support a website for Automobile Dealers in TN to receive Drive Out Tags.
- b. The VTRS will support dealer entered registration through a Web Portal.
- c. The VTRS will support print a temporary tag on a Dealer Printer.
- d. The VTRS will support the capture of Title information including VIN, Owner, Lien Company information to be used in Title and Registration.
- e. The VTRS will support electronically batching a list of registrations to the correct County daily.
- f. The VTRS will support printing a list of registrations for the Dealer to mail or deliver to the County Clerk's office.
- g. The VTRS will support the calculation of fees associated with the list of registrations and include the calculation on the lists.



- h. The VTRS will support County systems receiving the electronic batch into a work queue for handling.
- i. The VTRS will support bar coding information printed on the temporary tag.
- j. The VTRS will support a mobile friendly website for law enforcement use to scan a bar code on the printed temporary tag to determine if the tag is legitimate.
- k. The VTRS will support immediate update to a Temporary Tag database at the time of printing so that the verification is available immediately.
- l. The VTRS will support Dealer specific Accounts.
- m. The Contractor will provide support for dealers at times convenient for the dealers at times to be approved by the State.
- n. The Contractor will be responsible for contacting Dealers about availability of DDOT interface.
- o. The VTRS will support VIN Decoding the dealer entry.
- p. The VTRS will support an Automated Clearing House ("ACH") based process between the Dealer and Contractor for capture of the DDOT transaction fee and State Printing Fee.
- q. The Contractor will support an ACH process for transferring funds for the Temporary Tag Printing fee to State.
- r. The VTRS will support the generation of unique temporary tag numbers.
- s. The VTRS will support edits to exclude unacceptable words that may be generated for the tag.
- t. The VTRS will support a User Interface at the County Clerk's office for the efficient processing of Dealer servicing Titles and Registrations.
- u. The VTRS will support the capture and transmittal of required fields for processing Titles and Registrations.
- v. The VTRS will support bar coded batch cover sheets for dealer transactions.
- w. The VTRS will support self-service User Maintenance for password and User Account information.
- x. The VTRS will support the printing of reports as determined by State.
- y. The Contractor will support pre-payment of funds for use in issuing Dealer Tags.
- z. The VTRS will support Dealer controlled administration of dealer employee accounts.
- aa. The VTRS will protect Personal Identifiable Information as required by law.

## **2. Registration-Renewal**

- a) The VTRS will Process applications for registrations
- b) The VTRS will Assign license plates to vehicles
- c) The VTRS will Track plate inventories
- d) The VTRS will Prevent registration or renewal when the registrant has failed to comply with Tennessee's Financial Responsibility law
- e) The VTRS will Allow registration and renewal of vehicles that are not titled in the state of Tennessee
- f) The VTRS will Register and renew leased vehicles (the owner is not the same as the registrant)



## ATTACHMENT 2 REQUIREMENTS

- g) The VTRS will tie registration or renewal to a single physical address unless the vehicle is being titled and registered in the first county of operation (for example, a new car dealer sale) or if the salvage or nonrepairable certification is provided to a business
- h) The VTRS will validate emissions testing where appropriate
- i) The VTRS will identify and process vehicles exempt from emissions testing
- j) The VTRS will Process vehicles with emissions waivers
- k) The VTRS will accommodate permanent registrations
- l) The VTRS will accommodate staggered registrations
- m) The VTRS will accommodate the sale of plates that are not tied to specific vehicles (such as Dealer plates or OEM (Original Equipment Manufacturer) plates)
- n) The VTRS will automatically calculate the registration expiration date by plate class but allow authorized users to override this date
- o) The VTRS will accommodate fixed standard registrations by plate class (For example, all National Guard plates expire in September of each year)
- p) The VTRS will prorate registration fees where appropriate.
- q) The VTRS will allow registration of low speed and medium speed vehicles.
- r) The VTRS will assign plates to vehicle types appropriately
- s) The VTRS will allow transfer of registration and plate to another vehicle
- t) The VTRS will prevent reassignment of registration when appropriate
- u) The VTRS will prevent the renewal of certain plate classes and obsolete plate classes
- v) The VTRS will Assign, renew, and relinquish the rights to personalized plates
- w) The VTRS will manage a "naughty" word list and decline a plate order for a word that violates.

### **2A. Registration-Renewal (James Lee Atwood Law)**

- a. The VTRS will support insurance verification, as required by the James Lee Atwood Law.
- b. The VTRS will support Insurance Industry Committee on Motor Vehicle Administration ("IICMVA") standards. <http://www.iicmva.com/>
- c. The VTRS will support such other standards or formats authorized by law. (Insurance carriers are not required to support IICMVA standards.
- d. The VTRS will support effective date lookups with ability to respond to effective dates 6 months prior to the date of the request.
- e. The VTRS will support the creation of an Insured Vehicle database containing all records received from Insurance providers.
- f. The VTRS will support Web Services Inquiry to IICMVA signatory companies to determine status of coverage.
- g. The VTRS will support Full Book of Business download using IICMVA standards.
- h. The VTRS will support the identification of Registered Vehicles without active Insurance coverage.
- i. The VTRS will support retention of all compliance efforts on a VIN basis.
- j. The VTRS will support retention of all compliance efforts on a Registrant basis.
- k. The VTRS will support real time Insurance coverage information Inquiry requests from other systems and secured internet applications
- l. The VTRS will support Web Services Inquiries.
- m. The VTRS will support Incremental Updates using IICMVA standards.
- n. The VTRS will support Batch processes for matching Registered Vehicles with a database of Insured Vehicles.
- o. The VTRS will support regularly scheduled incremental updates specific to Insurance provider.
- p. The VTRS will support Web Entry of Coverage information from Insurance Companies that do not meet the criteria for file transfer as defined in the law.



- q. The VTRS will support Notification of non-compliance to VIN registrants on a schedule basis.
- r. The VTRS will support analysis reporting as determined by law and administrators.
- s. The VTRS will support automated creation of correspondence to be distributed by State data center.
- t. The Contractor shall be responsible for identifying and contacting IICMVA insurance companies to begin State required data exchange.
- u. The Contractor shall report status of identified insurance companies' exchange status Monthly indicating the number of VINS insured as well as the number of VINS that have dropped coverage without a corresponding replacement.
- v. The VTRS will support a grace period for new registrations before issuing compliance letters.
- w. The VTRS will support State controlled, easily maintained, changes to State thresholds for Grace Period, 1<sup>st</sup> Letter response time, 2<sup>nd</sup> Letter response time, and any other criteria that may be determined.
- x. The VTRS will support the capture of Insurance Policy information at point of Registration.
- y. The VTRS will support real time verification of accuracy at point of registration if insurance company supports Online Insurance Verification using IICMVA standards.
- z. The VTRS will support suspension of Registration as determined by State.
- aa. The VTRS will support the collection and all reporting necessary for the collection and distribution of funds collected by authority of the Law.
- bb. Additional requirements may be identified and approved by State.

## **2B. Registration-Renewal – Dealer Drive Out Tags**

- a. The VTRS will support an automated Interface from Dealers in support of Registration.
- b. The VTRS will support efficient access and processing by County Clerks using Dealer electronically submitted information.
- c. Additional requirements may be identified and approved by State.

## **3. POS**

- a) The VTRS will Accept payment for incomplete transactions
- b) The VTRS will Process refunds appropriately (including refunds of prorated amounts, and refunds for overpayments)
- c) The VTRS will endorse checks
- d) The VTRS must accept credit card payments or have the ability to work around and be PCI compliant.
- e) The VTRS will Provide robust financial controls
- f) The VTRS will Process "bad checks" (insufficient remittances), including maintaining a count of the number of "bad checks" written by the customer.
- g) State if the system will place "automatic" stop if x number of checks are received within a predetermined timeframe.
- h) The VTRS will calculate appropriate penalty and interest
- i) The VTRS will Balance and reconcile cash drawers.
- j) The VTRS will Prepare and track multiple daily bank deposits
- k) The VTRS will Accept and post payments from multiple County Clerks
- l) The VTRS will Process and track fee and payment adjustments
- m) The VTRS will provide customer receipts and official registration documents
- n) The VTRS will distribute fees according to Tennessee funds allocation rules
- o) The VTRS will process transactions on a real time basis to a central database from county clerk locations





- p) The POS must have a work around if the database is not accessible.

## **ATTACHMENT 2 REQUIREMENTS**

### **4. Work Flow**

- a) The VTRS will provide rules-based work assignments
- b) The VTRS will provide tracking of work assignments
- c) The VTRS will allow authorized users/supervisors to transfer individual assignments or groups of assignments
- d) The VTRS will enable access to assigned work and allow completion of work assignments
- e) The VTRS will enable the production of correspondence to the customer when appropriate
- f) The VTRS will maintain tracking of customer communications.
- g) The VTRS will auto generate standardized letters based on errors including omission of Data or forms.
- h) The VTRS will allow a rep to generate a customized letter based on a unique situation and distribute it to the appropriate party.
- i) The VTRS will automatically manage receipt of additional information or documents needed to complete the issuance of a title.

### **5. Batch Jobs**

- a) The VTRS will calculate renewal notices (who is eligible to receive—what total fees are (varies by zip)
- b) The VTRS will generate renewal notices.
- c) The VTRS will verify renewal notices.
- d) The titles will be printed/distributed paper or email
- e) The titles will be printed/distributed by instant print or batch
- f) The titles will be printed/distributed by preprinted or automatically

### **6. Reporting**

- a) The VTRS will provide a report of vehicles registered in a county that differs from the county of residence.
- b) The VTRS will produce Exception Reports
- c) The VTRS will produce reports on incomplete transactions.
- d) The VTRS will produce Performance Reports indicating work processed by individual as well as group totals
- e) The VTRS will produce Inventory Reports
- f) The VTRS will produce Financial Reports
- g) The VTRS will produce Ad Hoc Reports
- h) The VTRS will produce Reports of all inquiries into TIES Data, regardless of the outcome of the inquiry (even if no transaction is completed)
- i) The VTRS will produce Reports of all external inquiries into the system from external systems (such as RQ, IVTR, and CJP)
- j) The VTRS will produce Aging reports indicating pending transactions including those with rejection letters.
- k) The VTRS will produce Invoice reports to facilitate payment to County Clerks for completed transactions



## REQUIREMENTS

## ATTACHMENT 2

### 7. Inventory

- a) The VTRS will accommodate an unlimited number of plate classes, including but not limited to personalized, cultural, specialty, new specialty, special purpose, and military plates.
- b) The VTRS will identify the acceptable usage of each plate (such as private, commercial, or other usages) and the vehicle types to which these plates may be assigned.
- c) The VTRS will assign and track controlled stock
- d) The VTRS will allow recall, revocation, and/or cancellation of state-issued products, such as titles, registrations, plates, permits, and placards
- e) The VTRS will provide for the replacement of lost, stolen, or damaged Tennessee products
- f) The VTRS will Process and track controlled stock shipments
- g) The VTRS will correct inventory, such as returning items to the inventory
- h) The VTRS will Evaluate, propose, and track reorder points
- i) The VTRS will be able to handle duplicate plate numbers or have a work around for the state numbers that are repeated in different plate classes.

### 8. Audit

- a. The VTRS shall generate alerts based on defined business rules and sent to appropriate staff
- b. Transaction History
  - 1) The VTRS shall record for all Data records the date, time, user ID, IP address created and modified by.
  - 2) The VTRS shall track all record additions, changes and deletes, including the ability to recreate a record's change history.
  - 3) The VTRS shall mark deleted records for deletion but not remove the records from the database until purged.
- c. Audit Capabilities
  - 1) The VTRS shall provide secure and comprehensive audit capabilities.
  - 2) The VTRS shall provide for audit trails that capture user identity, time, location, programs used and cause. Audit trails shall be recorded securely with restricted and controlled access. Audit records shall be secure, resistant to tampering, deletion, alteration and must not allow exposure of sensitive Data to unauthorized persons.
  - 3) Audit records shall include date, time stamp, workstation IP and Hostname, User account ID and program ID.
  - 4) The VTRS shall provide audit trails for all production of credentials and other controlled documents.
  - 5) The VTRS shall provide audit trails for all record inquiries, creation, changes and deletions including, but not limited to, all transactions that change customer demographic Data.
  - 6) The VTRS shall provide audit trails for all access to and the release of sensitive Data from the VTRS, including documents supporting identity.
  - 7) The VTRS shall provide audit trails for all money collected or disbursed for all transactions on the VTRS in conjunction with state cashing system.
  - 8) The VTRS shall provide an audit trail and report capabilities for all VTRS overrides, e.g. override for fees paid.



## ATTACHMENT 2 REQUIREMENTS

- 9) The VTRS shall randomly select a number of customer transactions for audit, including specifying transactions from a selected user.
- 10) The VTRS shall provide an audit trail for access to audit logs and records and detect, log and report immediately to security officers, attempts to access or alter audit logs by unauthorized persons. The VTRS shall provide a means to flag and report VTRS administrator specified suspicious activity.
- 11) The VTRS shall provide a means to recreate all of a particular VTRS user's activity and all changes to a particular customer (or other VTRS subject)'s records for a specified period of time. The information shall be presented in a user friendly report format.
- 12) The VTRS shall provide a means to flag and report any instances where one user account is logged on from multiple locations.
- 13) The VTRS shall provide logs and audit trails of all interactions, including transactions and Data exchanges over provided interfaces, between the VTRS and other external systems.
- 14) The VTRS shall provide logs and audit trails of all significant interactions between modules and services provided by components of the VTRS, sufficient to identify security risks, breeches, performance issues and reliability issues.
- 15) The VTRS shall provide standard reports, to be developed in conjunction with state staff, for audit functions, e.g. report showing incomplete transactions by a user.
- 16) The VTRS shall provide ad-hoc inquiry and reporting functions on any Data field in the VTRS by designated VTRS auditors. The VTRS shall provide the ability for the TDOR staff to select the output option at the time the query or report is run, including screen display, print, spreadsheet, pdf, xml.

### **9. Training**

The Contractor shall deliver no less than four (4) different levels of training (defined below) to the State employees. Each training level will be tailored to a specific audience, which correlates with the State employee's specific job duties. The Contractor shall deliver initial training courses on all levels during the implementation phase of the project. The time frame and schedule for the Contractor to conduct initial training courses will be detailed in the State-approved project work plan. The following minimum requirements apply to each level of training provided by the Contractor:

- While implementing the system, the Contractor shall provide sufficient training on the full use of hardware, peripherals, and software.
- The Contractor shall provide a hardcopy user guide and job aid to each student for each level of training that contains information, procedures, and instructions specific to the installed system.
- The Contractor shall provide softcopies of all user guides and job aids for each level of training to the State. The Contractor shall grant the State a royalty free license to reproduce and distribute unlimited additional copies of all documentation and training material at no expense.
- The State reserves the right to make audio and video recordings of any and all training sessions at no additional cost to the State for later use by the State.

#### **Training Levels**

The State requires a minimum four (4) different levels of training, as described in this section.



## ATTACHMENT 2 REQUIREMENTS

The Contractor shall deliver materials in accordance with the sample training materials representative of what will be developed and delivered for this project as identified in the Contractor's proposal. Published documentation is preferred, but the Contractor may modify and deliver handouts, diagrams, graphics, and/or other training aids that have been developed for use with other customers.

1. System Administrator

This training will provide the State technical staff the knowledge necessary to operate and troubleshoot the system.

2. Account Administrator

This course will be a minimum of 8 hours and shall cover functions associated with administering user operations of the system, including but not limited to managing accounts for Workstation Operators, performing any periodic functions, creating reports.

3. Train the Trainer

This course will be a minimum of 40 hours to provide the knowledge necessary for the State staff to deliver general end-user training, including the classroom set up, instructor's notes, and common student questions. Contractor shall deliver their approach to a "train the trainer" plan to train the State personnel as described in their proposal. The training plan shall include the identification of required documents and a training timeline. The State requires the Contractor to train the State designated trainers at the headquarters facility in Nashville, TN. Contractor shall address expected timeline, format, and structure for the training of the State personnel.

4. General End-User Training

This training will be delivered to all staff using the VTRS and shall cover all user functions. This training will be a minimum of 24 hours to provide the knowledge necessary for all VTRS users to perform all system-related job functions.

Training Locations

The initial number of seats required for each level of training prior to implementation of the Contractor's solution is as follows:

Level	Training Description	Training Location	Total Number of Attendees
1	System Admin Training	TBD	TBD
2	Account Admin Training	TBD	TBD
3	Train the Trainer	TBD	TBD
4	General End User Training	TBD	TBD



## **10. Technical Manuals**

The Contractor shall provide Technical Manuals that meet the following minimum requirements:


- a. The Contractor shall have complete technical manuals, which describe overall aspects of the system configuration, operating instruction, and problem diagnosis of all components and features of the VTRS and the corresponding technical specifications.
- b. The Contractor shall maintain comprehensive documentation on all software aspects of the VTRS and will provide to the State electronic copies of said documentation as revisions and changes are made. Documentation will include, but not be limited to, file structure, directory structure, database record layout, workstation architecture, system architecture, registry settings/entries, and services utilized.
- c. The Contractor shall provide at least five (5) full hardcopy sets of technical manuals and RFP 34701-00113 documentation materials to the State. The technical manuals and documentation materials must also be provided to the State in electronic format.
- d. The Contractor shall provide the State the original source code, and updated source code when any application changes are made to any part of the VTRS. Source code shall be provided to the State within five (5) business days of implementation into the production environment.
- e. The Contractor shall not remove or redact any part of the technical manuals except to remove errors. Whenever an update is made to reflect a change in the VTRS, the obsolete information shall remain intact, accessible by the State, and be clearly marked that the information is updated, the period of time the information reflected the actual VTRS design, and a reference to where the updated information is located.
- f. The Contractor shall make all changes to all copies of technical manuals supplied to the State.
- g. The Contractor shall grant the State a royalty free license to reproduce and distribute unlimited additional copies of all technical manuals, documentation, and training material at no expense.

## **11. Error Handling**

- a. System error messages shall be consistent throughout the system, including codes understandable text descriptions, and screen locations.
- b. The VTRS shall send an alert to specified people to inform them of critical system issues.
- c. The VTRS shall support rapid failover or redeployment of system components in the event of a planned or unplanned interruption.
- d. Error Correction: The VTRS shall highlight errors on the screen for immediate correction.
- e. The VTRS shall record and produce error statistics including, but not limited to module, source, or time.



# CONTRACT AMENDMENT COVER SHEET

<b>Agency Tracking #</b> 34701-11096	<b>Edison ID</b> 44679	<b>Contract #</b> 44679	<b>Amendment #</b> 1			
<b>Contractor Legal Entity Name</b> Business Information Systems			<b>Edison Vendor ID</b> 0000100828			
<b>Amendment Purpose &amp; Effect(s)</b> Add technical parts and system requirements insurance verification, remove hosting responsibilities from Contractor, and adjust pricing to accommodate for hosting adjustment and expansion of registration needs for dealer drive-out tags.						
<b>Amendment Changes Contract End Date:</b> <input checked="" type="checkbox"/> NO		<input type="checkbox"/> YES	<b>End Date:</b> 03/31/2022			
<b>TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A):</b> + \$10,391,141.49						
<b>Funding —</b>						
<b>FY</b>	<b>State</b>	<b>Federal</b>	<b>Interdepartmental</b>	<b>Other</b>	<b>TOTAL Amount</b>	<b>Contract</b>
2016	1,106,801.12				1,106,801.12	
2017	5,163,646.13				5,163,646.13	
2018	5,461,067.07				5,461,067.07	
2019	5,543,260.28				5,543,260.28	
2020	5,632,028.94				5,632,028.94	
2021	5,727,899.09				5,727,899.09	
2022	5,831,438.86				5,831,438.86	
<b>TOTAL:</b>	<b>34,466,141.49</b>				<b>34,466,141.49</b>	
<b>American Recovery and Reinvestment Act (ARRA) Funding:</b> <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO						
<b>Budget Officer Confirmation:</b> There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations. 				<b>CPO USE</b>		
<b>Speed Chart (optional)</b>		<b>Account (optional)</b>		<b>Code</b>		

## AMENDMENT 2 OF CONTRACT 000000044679

This Amendment 2 to Contract 000000044679 is made and entered by and between the State of Tennessee, Department of Revenue, hereinafter referred to as the "State" and Business Information Systems, hereinafter referred to as the "Contractor." For good and valuable consideration, the sufficiency of which is hereby acknowledged, it is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

### A.6. Hosting and Security Requirements

#### e. Hosting Environment

- The State shall host VTRS environments storing personally identifiable information ("PII"), including personal information and highly restricted personal information as defined under Tenn. Code Ann. § 55-25-103. The Contractor shall develop appropriate specifications regarding the anticipated architecture and provide the State with adequate information to evaluate the most appropriate cost model. These VTRS environments are TEST and PROD and any other VTRS environments that the Contractor and the State agree are required.
- Data – The State shall own all Data. "Data" shall mean any and all records, documents, information, and images received, processed or created in relation to a Transaction, as defined in Section C.3.b, or to a requirement or transaction described in Attachment 2, Sections 1-8. The Contractor shall provide a copy of all Data to the State upon request. Upon termination of this Contract for any reason, the Contractor shall provide all Data to the State and destroy all copies of the Data. The Contractor is strictly prohibited from selling, disclosing or providing the Data on an individual or aggregate basis for any purposes, including marketing on an internal basis or through a third party, or for any use of the Data other than as set forth in this Contract without the express written permission of the State.
- The Contractor may host a VTRS Development environment so long as the Data residing in the environment does not contain PII.
- The State shall maintain a secure hosting environment to provide required services under this Contract and receive, process, and secure all Data.
- The State shall provide the Contractor reasonable access to all State provided VTRS environments. The State will support the service level required for the proper performance of VTRS. Such support will include all networking, server, system software, and any other area affecting performance.
- The State and the Contractor agree to work toward resolution of any problem on a best efforts basis.
- The State and the Contractor may adjust configurations and environments affecting hosting by mutual agreement without requiring contract amendments. The mutually agreed goal being to provide the best services possible for the contracted price.
- The Contractor shall not be responsible for service issues arising from the State networks, State hosting, or the public Internet, but must provide evidence to support the cause of the issue originating within State networks, hosting, or the public Internet.
- (1) The Contractor must comply with the State's Enterprise Information Security Policies. This document is found at the following URL: <https://www.tn.gov/content/dam/tn/finance/documents/Enterprise-Information-Security-Policies-ISO-27002-Public.pdf>.
- In the event that the operating system is an integral part of the application, the Contractor agrees to maintain Operating Systems at current, manufacturer supported versions. "Operating System" shall mean the software that supports a computer's basic functions, such as scheduling tasks, executing applications, and controlling peripherals.
- The Contractor agrees to maintain the Application so that it will run on a current, manufacturer-supported Operating System. "Application" shall mean the computer code that supports and accomplishes the State's requirements as set forth in this Contract. The Contractor shall make sure that the Application is at all times fully compatible with a manufacturer-supported Operating System; the State shall not be required to run an Operating System that is no longer supported by the manufacturer.

- If the Application requires middleware or database software, Contractor shall maintain middleware and database software versions that are at all times fully compatible with current versions of the Operating System and Application, to ensure that security vulnerabilities are not introduced.

1. Contract section C.1 is deleted in its entirety and replaced with the following:

**C.1. Maximum Liability.** In no event shall the maximum liability of the State under this Contract exceed Thirty-four million Seven Hundred and Thirty Thousand Eight Hundred and Twenty-Seven dollars (\$34,730,827). The payment rates in section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any renewals of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

2. Contract section C.3 is deleted in its entirety and replaced with the following:

**C.3. Payment Methodology.** The Contractor shall be compensated after Go-Live, unless specifically stated otherwise below, based on the payment rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in section C.1.

a. The Contractor shall be compensated monthly based on the following:

- The State shall pay the Contractor \$.58 per Transaction processed through the VTRS. "Transaction" means any initial motor vehicle registration or any renewal of a motor vehicle registration for which a fee is collected by the State, excluding government vehicles.
- The State shall pay the Contractor \$1.16 per Two-Year Registration Transaction processed through the VTRS. "Two-Year Registration Transaction" means any initial motor vehicle registration or any renewal of a motor vehicle registration, the duration of which is 24 months.
- The State shall pay the Contractor \$.58 per Salvage Title Transaction processed through the VTRS. "Salvage Title Transaction" means any issuance of a passenger motor vehicle ownership document issued by the State to the owner of a salvage vehicle.
- Upon renewal of this Contract, the Contractor may request an increase in the monthly payment fee. The maximum increase of the fee shall not exceed the current CPI percentage rate (as found at the Bureau of Labor and Statistics website <http://www.bls.gov/CPI/>) or three (3) percent per year, whichever is larger.

b. The Contractor shall be compensated for changes requested and performed pursuant to Contract Section A.16, without a formal amendment of this Contract based upon the payment rates detailed in the schedule below and as agreed pursuant to Section Reference, PROVIDED THAT compensation to the Contractor for such "change order" work shall not exceed Seven Percent (7 %) of the sum of milestone payment rates detailed in Section C.1., above (which is the total cost for the milestones and associated deliverables set forth in Contract Sections A.3., through A.7.). If, at any point during the Term, the State determines that the cost of necessary "change order"



work would exceed the maximum amount, the State may amend this Contract to address the need.

- c. The following daily rates shall apply for any Change Order as specified at Section A.16:

Resource/ Hourly Rates	Remote	On-site
Project Manager	\$200.00	\$250.00
Business Analyst	\$150.00	\$187.50
Developer	\$150.00	\$187.50
Documentation and Support	\$100.00	\$125.00
Other		

- d. Contractor and State agree that the following fees shall be paid in support of Pub. Ch. 511 (2015), also known as the "James Lee Atwood Law." ("Law").

- Contractor shall be paid the following sums based on delivery and approval of the deliverable described in the following table. Such approval is solely the decision of the State.

Description	Fee	Frequency
State Approved Insurance Verification Requirements Document	\$ 25,000.00	1 time
State Approved Insurance Verification Data Model Design Document	\$ 25,000.00	1 time
State Accepted exchange of 1 Full Book of Business with an Insurance Company identified by State.	\$ 25,000.00	1 time
State Accepted Web Services Interface with an Insurance Company identified by State.	\$ 25,000.00	1 time
State Accepted Delivery of Compliance Selection Processing with 1 Insurance Company as jointly defined with Contractor. (Letter Writing campaign)	\$ 25,000.00	1 time
State Accepted Delivery of Compliance Selection Processing with a Total of 20 Insurance Companies and the associated creation of letters to Customers. (Letter Writing Campaign)	\$ 25,000.00	1 time
State Acceptance and Approval of Pilot Implementation with 1 Insurance Company as determined solely by State. (Data Exchange and Web Service Interface)	\$ 25,000.00	1 time
State Accepted data exchange with 10 total State identified Insurance Companies. (Data Exchange and Web Service Interface)	\$ 25,000.00	1 time
State Accepted data exchange with 20 total State identified Insurance Companies. (Data Exchange and Web Service Interface)	\$ 25,000.00	1 time
Bonus for Delivery of 10 Total implemented Insurance companies on or before 1/8/2017	\$ 50,000.00	1 time

<b>TOTAL ONE-TIME FEES</b>	<b>\$ 275,000.00</b>	
State Acceptance and Approval of Pilot Implementation with 1 customer as determined solely by State.	\$ 20,000.00	Monthly until Full Production Accepted.
State Acceptance of a Production System to be determined solely by State. (Full Production)	\$ 35,000.00	Monthly for term of contract.

- e. Contractor and State agree that the following fees shall be paid in support of Contractor providing Dealer Drive Out Tag functionality described herein.
- Contractor shall be paid the following sums based on delivery and approval of the deliverable described in the following table.

Description	Fee	Frequency
Initial fee payable to begin delivery of Dealer Drive Out Tag Pilot application payable at execution of this Amendment	\$ 25,000.00	1 time
Per transaction fee payable to Contractor on Acceptance of the Dealer Drive Out Tag application.	\$ 1.00	Per Dealer Drive Out Tag transaction

- f. The Contractor and the State agree that the additional cost increases and decreases associated with this Amendment do not warrant a change to the contractual terms. Both parties acknowledge there will be no change to Section C.3.b covering monthly per transaction cost resulting from this Amendment.

**Required Approvals.** The State is not bound by this Amendment until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

**Amendment Effective Date.** The revisions set forth herein shall be effective upon approval. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

CONTRACTOR LEGAL ENTITY NAME: Business Information Systems

Garry Shipley 8/30/18  
SIGNATURE DATE  
Garry Shipley, CFO  
PRINTED NAME AND TITLE OF SIGNATORY (above)

STATE AGENCY NAME: Department of Revenue

David Gerregano 8/31/18  
DAVID A. GERREGANO, COMMISSIONER DATE



# CONTRACT

(fee-for-goods or services contract with an individual, business, non-profit, or governmental entity of another state)



Begin Date 04/01/2015	End Date 03/31/2022	Agency Tracking # 34701-11096	Edison Record ID 44679
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Contractor Legal Entity Name Business Information Systems	Edison Vendor ID 0000100828
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Goods or Services Caption (one line only)

Development, Implementation, and Hosting Vehicle Title and Registration System.

Subrecipient or Contractor

☐ Subrecipient ☒ Contractor

CFDA #

Funding —

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2015					
2016	\$963,000				\$963,000
2017	\$3,852,000				\$3,852,000
2018	\$3,852,000				\$3,852,000
2019	\$3,852,000				\$3,852,000
2020	\$3,852,000				\$3,852,000
2021	\$3,852,000				\$3,852,000
2022	\$3,852,000				\$3,852,000
2023					
2024					
2025					
TOTAL:	\$24,075,000				\$24,075,000

Contractor Ownership Characteristics:

- ☐ Minority Business Enterprise (MBE): African American, Asian American, Hispanic American, Native American
- ☐ Woman Business Enterprise (WBE)
- ☐ Tennessee Service Disabled Veteran Enterprise (SDVBE)
- ☒ Tennessee Small Business Enterprise (SBE): \$10,000,000.00 averaged over a three (3) year period or employs no more than ninety-nine (99) employees.
- ☐ Other:

Selection Method & Process Summary (mark the correct response to confirm the associated summary)

- ☐ Competitive Selection N/A
- ☒ Other Non-Competitive Negotiation

Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.

*John Juman*

Speed Chart (optional)

RV00000392

Account Code (optional)

72203000



**CONTRACT  
BETWEEN THE STATE OF TENNESSEE,  
DEPARTMENT OF REVENUE  
AND  
BUSINESS INFORMATION SYSTEMS**

This Contract, by and between the State of Tennessee, Department of Revenue, hereinafter referred to as the 'State' and Business Information Systems, hereinafter referred to as the "Contractor," is for the provision of Vehicle Title and Registration System (VTRS), as further defined in the "SCOPE OF SERVICES."

The Contractor is a For Profit Tennessee General Partnership  
Contractor Place of Incorporation or Organization: Tennessee  
Contractor Edison Registration ID # 0000100828

**A. SCOPE OF SERVICES:**

A.1. The Contractor shall provide all service and deliverables as required, described, and detailed herein and shall meet all service and delivery timelines as specified by this Contract.

A.2. **High Level Description**

The State wishes to procure a Contractor hosted solution which consists of the core database to process and store motor vehicle records, as defined under Tenn. Code Ann. § 55-25-103(6), and related images for all vehicles titled and/or registered in the State. The State shall administer such registrations in compliance with Tennessee Code Annotated. Consideration must separately be given to the input of Data at the county clerk level and the state operated facilities. There are a number of interfaces that will need to be developed and supported, including various law enforcement agencies (e.g., Tennessee Bureau of Investigation, local police departments), and other information contractors such as R.L. Polk's VINA, NMVTIS, and others.

The contemplated new system must be structured to allow for flexibility, growth and increased automation in the coming years. New and enhanced customer service portals should be available. Online renewal and online ordering of personalized plates are examples of consumer activities any proposed system should handle efficiently. Customer service is not limited to the consumer public. Self-service capabilities might also encompass portals created for dealers, lienholders and others.

The scope of the Motor Vehicle Title and Registration System (VTRS) project encompasses replacement of the State's current motor vehicle title and registration system (the "Legacy" system), including but not limited to comprehensive project management, business process and system analysis, provision of packaged software, software customization, and development of system interfaces, testing, training, system implementation and support. The following is a description of the new VTRS and other Tennessee Department of Revenue (TDOR) systems with which the proposed VTRS must integrate. The Contractor will be providing only the VTRS, not the other TDOR systems. Refer to Attachment 5 - Background Information. Attachment 6 - Existing System Interface is representative of the State's expectations for required interface development and shall be finalized during the development of the Comprehensive Management Plan.

A.3. **Project Management**

The State requires that the Contractor follow a systematic approach to the design, development, and implementation of the VTRS to ensure that a comprehensive and expandable system is implemented. The State of Tennessee's Information Technology Project Management



Methodology is Tennessee Business Solutions Methodology (TBSM). TBSM is based on the principles set forth by the Project Management Institute (PMI) and on industry best practices that are adapted to meet the State's needs. The table below provides a high level illustration of the TBSM project phases and activities included, but not limited to the standard project management templates, tasks and deliverables.

Table 1, Tennessee Business Solutions Methodology

Pre-Engagement Phase	Project Initiation	Project Planning	Project Execution Project Monitoring & Control	Project Closing
[The content of this table is heavily obscured by a large black redaction box.]				

The Contractor will be required to utilize the TBSM model including the templates or a comparable project management methodology and accompanying template documents similar to the TBSM. A detailed list of expected Project Management deliverables and descriptions can be found on the State's Internet page at: <http://www.tn.gov/finance/tbsm/tbsm.shtml>. The Contractor should address all the Deliverables for the life-cycle phases in their project plan but can organize and plan for the accomplishment of the work based on their experience with projects of similar scale and scope. The Contractor shall conform to the Comprehensive Project Management Plan in Attachment 1, which is incorporated into this Contract. The Comprehensive Project Management Plan will contain defined acceptance criteria for each phase of the project outlined below. It is anticipated that the Comprehensive Project Management plan may change throughout the life of this contract. Modifications and updates to the Comprehensive Project Management Plan will not require an amendment so long as it does not materially change the Scope of Services outlined in this contract.

The Contractor shall define the overall Project Management approach for the project and should describe, in general terms, the roles and authorities of project team members from both the State staff and the Contractor staff. The Project Management Approach should be based on the Contractor's best practices and experience, and should be fully described in the section of the Project Management Plan. The Contractor shall meet all Project Management requirements resulting deliverables defined in this Section and included in Attachment 2, which is incorporated into this Contract, regardless of the approach proposed. Each subsection within the Contract requirements provides a narrative on the requirements, followed by a table defining the tasks and Deliverables to be fulfilled by the Contractor.

The State has identified the following tasks/deliverables which include current functions/features as well as new development items specific to the State. Additional items may be included in the scope of the project as the Contractor works with the State to further identify requirement needs. These items will be delivered in eight (8) phases.

<u>Project Milestone</u>	<u>Description</u>	<u>Target Date</u>
	<b><u>Deliver Comprehensive Project Management Plan for initial review and approval.</u></b>	<b><u>1-2 months after contract start date.</u></b>
Phase 1	Gathering requirements, business rules, outside connections, database layout specification, and designing	6 – 9 months after contract start date

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	enhancements and new software	
Phase 2	Install, configure, and test hardware infrastructure, provision of a review of the project and project timeline to ensure alignment with project schedule	9 – 12 months after contract start date
Phase 3	Develop, test, train, and plan implementation	10 – 20 months from contract start date
Phase 4	Implement Pilot	20 – 22 months from contract start date
Phase 5	Data conversion and system implementation to satisfactory production operations ("Go-Live", as defined below)	24 months from contract start date
Phase 6	Post Implementation Support	25 – 30 months from contract start date
Phase 7	Warranty	31 – 42 months from contract start date
Phase 8	Ongoing maintenance	Term of Contract

The State shall review the Project Management approach. Upon the State's written acceptance of the Project Management approach, the Contractor shall be required to follow the approved Project Management approach.

The Contractor shall notify the State upon the completion of each Phase. The State will issue written acceptance that the Phase is complete and in accordance with the Comprehensive Project Management Plan. "Go-Live" shall occur upon the State's formal written acceptance of deliverables through Phase 5.

**A.4 Vehicle Title and Registration System**

The new VTRS environment shall provide the following services and/or provide a reasonable work around. Any deviation from the described Scope as listed in Contract Section A.3 and Attachment 2 must be approved by the State Agency Representative.

- Title
- Registration-Renewal
- POS
- Work Flow
- Batch Jobs
- Reporting
- Inventory
- Audit
- Address Entry and Maintenance
- Interfaces
- Implementation
- Security
- Training

**A. 5. Business Process Reengineering**

The Contractor will be expected to participate in reviewing current business processes and

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workflows and make suggestions for improvements. Upon approval of recommendations by the State, the Contractor shall develop, in conjunction with State subject matter experts, re-engineered processes to the VTRS during Phase 1. The State will make final decisions on accepted re-designed processes and must sign off in writing before any changes are made.

- Customer service improvements (wait time reduction, better response to inquiries)
- Eliminate out of sync Data with third party vendors
- Fraud reduction
- Efficiency and process cost reduction
- Customer web-based self-service for value added activities
- Comprehensive and flexible web-based processing
- Integrating bar code readers into the VTRS
- Integrating document scanning and retrieval into the VTRS

The new VTRS environment shall provide a comprehensive, integrated suite of functionality to manage the business of providing Motor Vehicle Title and Registration information. This shall include secure, managed access to all required stakeholders, including:

- Public
- County Clerks
- Law Enforcement, via the Web and Data file transfers
- Vehicle Dealers
- Lending institutions
- Insurance companies

A.6. **Hosting and Security Requirements**

a. **Hosting Environment**

- Within six (6) months of the effective date of this Contract, the State shall evaluate hosting environment options and make a determination regarding whether VTRS shall be a Contractor hosted or State hosted solution. The Contractor shall develop appropriate specifications regarding the anticipated architecture and provide the State with adequate information to evaluate the most appropriate cost model.
- The Contractor shall maintain a secure hosting environment to provide required services under this Contract and receive, process and secure all Data, as defined below. The Contractor shall provide a secure, Tier 3 data center to house equipment, with 24/7 system monitoring, managed firewall services, and managed backup services. The Contractor shall have an alternate secure hosting site available in the event that it is not possible to restore operations in the primary site within 48 hours.
- Data – The State shall own all Data. "Data" shall mean any and all records, documents, information, and images received, processed or created in relation to a Transaction, as defined in Section C.3.b, or to a requirement or transaction described in Attachment 2, Sections 1-8. The Contractor shall provide a copy of all Data to the State upon request. Upon termination of this Contract for any reason, the Contractor shall provide all Data to the State and destroy all copies of the Data. The Contractor is strictly prohibited from selling, disclosing or providing the Data on an individual or aggregate basis for any purposes, including marketing on an internal basis or through a third party, or for any use of the Data other than as set forth in this Contract without the express written permission of the State.





- Network – The data center must have a redundant, fault-tolerant network and connections to the Internet. The Contractor shall benchmark speed and performance of Data uploads based on expected file sizes and shall maintain sufficient network bandwidth to support concurrent uploads by multiple submitters, maintaining acceptable performance against the initial benchmarks. The Contractor shall submit the initial benchmarks to the State for approval.
- The Contractor shall not be responsible for service issues arising from the State networks or the public Internet, but must provide evidence to support the cause of the issue originating within State networks or the public Internet.
- Environmental Systems – The data center must have fault tolerant, redundant environmental systems, including power, temperature and humidity control, and fire suppression.
- Physical Security – The data center must be physically secured. Access must be restricted to authorized personnel using multi-layered controls and procedures. Policies for granting access must be in place and consistently followed. Access shall only be granted to those with a need to perform tasks in the data center.
- Network, Server and Application Security – The data center network must include robust firewall, intrusion prevention and intrusion detection systems to prevent and detect unauthorized access.
- System Access Monitoring – The Contractor shall generate and review routine reports regarding system access. The Contractor shall review the log information collected on a quarterly basis, or a time mutually agreed up by both parties, to identify unauthorized or inappropriate access to any device or service within the network, suspicious network scans or other anomalies. The Contractor shall audit all attempted accesses that fail or succeed identification, authentication, and authorization requirements. In addition to the Data captured in these reports, the Contractor's system shall retain additional detailed information, suitable for forensics that shall be provided to the State upon request. Log Information shall be reviewed on a regular basis, as defined by systems security best practices and regulations (NIST, ARRA/HITECH, and HIPAA) and agreed to by the State.

b. Security Requirements

- a. The Contractor must provide the State with a copy of its security plan on an annual basis. Any identified updates needed to the plan must be complete within 90 days of feedback from the state. The plan must identify the employees that serve as Security Analyst and list each employee's qualifications.
- b. VTRS must be patched for security vulnerabilities monthly. If a critical finding is identified, it must be applied within 30 days of notification from the software Contractor. The State and Contractor will agree on a monthly outage window for the updates.
- c. The State will procure a contract, at the State's expense, for a third party Contractor to perform a security audit at least annually, and the State will review the audit results with the Contractor and require updates and fixes as needed.
- d. The Contractor will allow access and will cooperate with all reasonable requests to complete the security audit in a timely manner. Any critical items identified by the audit will be remediated within 90 days. Medium and low priorities must be remediated within 180 days. Any deviation will be documented and agreed to by the Contractor and State.
- e. The Contractor must provide the state documentation of its network, systems and processes that will be used by VTRS. This documentation will include technical details on how the Data is moved from State, County Clerks, Contractor, systems



and results returned to user, how the Data is stored and security measures in place to protect from unauthorized access, how Data is accessed including routes from workstations, data center, administrators, routers, switches, firewalls, intrusion detection system, system logs, and encryption utilized in the processes that touch client Data.

- f. The Contractor will report any suspected or confirmed security / privacy breach of the VTRS or related database to the State (including the State Information Security Officer.) The Contractor will isolate all electronic records and supporting evidence of a suspected or confirmed security / privacy breach of the VTRS, transactions or related databases. The Contractor will cooperate with and assist the State in any subsequent investigation.

A.7. **System Implementation Requirements**

- a. **Interface Design.** The Contractor shall create an interface design deliverable that includes the following interfaces:

- A way to import and extract Data to and from the VTRS
- Document Imaging system (if not part of Contractor's SaaS solution) to and from the VTRS
- Reporting Services (SSRS) to the VTRS via industry standard reporting tools
- Bulk Data transfers to and from other systems, including file formats such as CSV, TXT and XML

The Contractor shall design the interfaces according to the requirements contained in Attachment 2 – VTRS Interface Requirements (TBD)

- b. **Data Conversion Plan.** The Contractor shall work with the State to develop a plan describing the strategy, approach, and design for converting existing Legacy vehicle title and registration records to VTRS. The Data Conversion Plan shall describe how to minimize the risk of incorrect Data migration. Upon approval, the State will provide written acceptance of the Data Conversion Plan.
- c. **Test Plan.** The Contractor shall develop and deliver a plan describing how the Contractor will coordinate, manage, and conduct thorough testing of the VTRS prior to delivery to the State for User Acceptance Testing (UAT). The Plan shall include, at a minimum, testing all functionality, reports, correspondence, notices, and interfaces. Documentation of the inputs, outputs, problems identified, and corrections made shall be required, in the form of a functional test results document. Functional testing shall be performed by the Contractor on each module of the system. Individual sets of test Data and test plans shall be created by the Contractor to completely test internal conditions of the system. If approved, the State will provide written acceptance of the Test Plan and reserves the right to request periodic updates to the document.

The Test Plan will include preparations required for system testing, including at a minimum:

- Creating the appropriate test environment(s)
- Installing software and migrate Data in the test environment
- Installing and configuring any automated testing tools/packages

The Test Plan shall describe how the Contractor will perform the following:

- **Functional Testing.** Documentation of the inputs, outputs, problems identified, and corrections made shall be required, in the form of a Functional Test Results



document. Functional testing shall be performed by the Contractor on each module/program. Individual sets of test Data and test plans shall be created by the Contractor to completely test internal conditions of the module/program. Successful functional testing occurs when the module's test plan is completed without failure.

- System and Integration Testing. The Contractor shall fully test all software to ensure it meets the requirements and to demonstrate the functionality and performance characteristics before the start of User Acceptance Testing (UAT). The system tests shall actively use all of the functions, test all interfaces, and process all types of input. The Contractor shall include specific types of test cases and transactions in the test, as specified by the State.

The State will develop a User Acceptance Test (UAT) Plan and test scenarios, and will conduct UAT Testing. The Contractor shall be required to work with the State to facilitate and coordinate the execution of UAT in the designated test environment. The Contractor shall provide recommended processes and procedures for UAT in the Test Plan.

- d. Defect Tracking Log. The Contractor shall develop and maintain a Defect Tracking Log which shall include at a minimum, for each defect, deficiency, or deviation (collectively "Defects"):

- Unique tracking number
- Short name and description of the Defect
- Reference to test condition that identified the Defect
- Date Defect was identified
- Tester
- Disposition (e.g., Not a Defect, Fixed, Successfully Retested, etc.)
- Severity Level
- Description of changes made to correct Defect

The Contractor shall correct all Defects as reasonably directed by the State. The Contractor shall deliver a daily Defect Tracking Report to the State's Business Project Manager upon commencement of User Acceptance Testing (UAT). The Defect Tracking Report shall be based on Data recorded in a Defect tracking tool.

The Contractor shall maintain the Defect Tracking Log for the duration of the Contract and provide the most current log to the State at the State's request.

- e. Implementation Plan. The Contractor shall create an Implementation Plan to describe its overall approach to implementation. The Implementation Plan shall describe, at a minimum, the following:

- Implementation preparation for Data migration, security, staff training, personnel assignments, and level of resources required for each area
- Objectives and approach for components requiring installation, including utilization of the WAN, Intranet, Extranet and Internet
- Confirmation of the training schedule
- Backup and recovery procedures
- Contingency approach

Once approved, the State will provide written acceptance of the Implementation Plan and reserves the right to request periodic updates to the document.



- f. **Backup and Recovery Plan.** The Contractor shall create a Backup and Recovery Plan that supports multiple environments, failover environments, and Disaster Recovery. In order to prevent loss of Data, the Contractor shall develop and implement recovery procedures, including the process for restoring Data to its original or prior form. The Backup and Recovery Plan shall be updated, at a minimum, annually and shall include the results of annual disaster recovery test exercises conducted by the Contractor. The State will provide written acceptance of the Backup and Recovery Plan and reserves the right to request periodic updates to the document. Prior to Go-Live a table top disaster recovery test shall be performed by both parties.
- g. **Contingency of Operations Plan.** The Contractor shall develop and submit a Contingency of Operations Plan to specify planning for the remediation of specific systems, equipment, software, and/or operations in the event of critical impact resulting from natural, accidental or intentional events. The Contingency of Operations Plan shall document the Contractor's plans and procedures to maintain State support and shall include, but not be limited to the following:
- Description of the Contractor's emergency management procedures and policy
  - Description of how the Contractor will account for its employees during an emergency
  - Planned temporary work locations or alternate facilities
  - How the Contractor will communicate with the State during emergencies
  - List of primary and alternate Contractor points of contact, each with primary and alternate telephone numbers and e-mail addresses
  - Procedures for protecting the State furnished equipment (if any)
  - Procedures for safeguarding sensitive and/or classified State information (if applicable)
- Upon approval, the State will provide written acceptance of the Contingency of Operations Plan and reserves the right to request periodic updates to the document.
- h. The Contractor shall provide an Archive application/interface within the VTRS for the operations of archiving and purging motor vehicle Data in accordance with the T&R Archive criteria. The Archive application shall allow for the State to update/modify the current archive and purge criteria to be used within the VTRS. The Archive application shall provide a report identifying records meeting the purged/archive criteria before performing any further actions. The State shall review the Vehicle Status report supplied by the Archive application. Upon the State's approval/acceptance of the Vehicle Status report, the application shall perform the archive/purge process for the motor vehicle Data in compliance with the T&R criteria. The Archive application shall provide a report confirming the results the archive/purge process to the State upon completion.

A.8. **Documentation**

The Contractor will provide the following documentation:

- Detailed and user friendly how to manuals
- End User training materials

The Contractor shall create and maintain the following documentation:

- Detailed program specifications
- Job documentation and job run instructions, as applicable
- Job recovery instructions
- Technical Administration Training Materials



#### A.9. Warranty

##### a. General Warranty Terms.

- The warranty terms, conditions, and language within this contract supersede any warranty language provided by the Uniform Computer Information Transaction Act (UCITA).
- The Contractor expressly warrants that the VTRS and any productions or services resulting from additional work and/or enhancements produced or provided by the Contractor to the State:
  - as being compliant in all respects with the terms of the Contract or the additional work and/or enhancement requests,
  - as being free from errors and Defects
  - will perform in such a manner as the Contract, additional work and/or enhancement requests require and intended and that the VTRS is otherwise consistent with industry standards.

##### b. Warranty Periods.

- The warranty period(s) shall be three hundred sixty-five (365) days after Go-Live and shall apply to all software accepted by the State (as defined by the State's formal acceptance to Go-Live in production) and shall apply to all products or services resulting from additional work and/or enhancements related to the software.
- The warranty period for additional work and/or enhancements initiated during the final year of the contract shall run for the remaining term of the Contract.
- In the event a formal transition of software maintenance to the State is agreed to the warranty shall be applicable until a formal transition has been completed.

##### c. Warranty Coverage.

- The warranty encompasses any errors and Defects in any product or service and encompasses errors created in State Data caused by such Defects to the extent that such Defects and resultant Data errors are not the result of State supplied hardware or software, or third party software (i.e. Windows, Java) as reasonably determined by the State and Contractor.
- The warranty requires the correction by the Contractor of all products or services containing any errors or Defects in State Data caused by such, or third party software (i.e. Windows, Java). Correction is required, whether occurring in the original contract or resulting from an additional work or custom enhancement requested by the State, or that which is procured in any amendment to the Contract, or in any interfaces created, or in all training manuals and system documentation provided by the Contractor.
- Any corrections of Defects relating to the Contract Scope of Services requirements or deliverables and any investigation necessary to determine the source of such Defects shall be completed by the Contractor at no cost to the State.

##### d. Time Frames for Warranty Services.

- The Contractor must promptly, at the direction of and within a reasonable time specified by the State, correct any Defects and all VTRS-related system errors,

135



deficiencies and/or deviations and correct performance and/or operational delays.

- The Contractor shall provide emergency maintenance services to correct code problems or any performance or operations problems related to the design or coding of the solution software, its function or interfaces on a twenty-four (24) hours, seven (7) days a week basis.
  - Products and services shall be either replaced, revised, repaired, or corrected within twenty-one (21) calendar days of written notification by the State of the errors or Defects; provided, however, that if the continued use of a Defective or deficient product or service would cause damage to the State system(s) or associated Data, or would otherwise seriously impair, as determined by the State, the ability of users of the solution(s) to do their jobs or the functions for which the solution was established, then Contractor shall act to repair the Defects immediately, unless an extension is otherwise granted in writing by the State.
  - The State will determine when any errors or Defects have been resolved.
- e. Resources Required for Warranty Service. The Contractor shall apply all necessary resources to correct the errors, Defects, deficiencies or deviations without cost or expense to the State and shall make these corrections within a reasonable time frame specified by the State and Contractor.
- f. Failure to Provide Effective Warranty Services. If the Contractor fails to repair an error or Defect for products or services covered by the warranty, the State may, at its option, act to correct or repair the error or Defect; and the Contractor shall be required to reimburse the State for all costs incurred to conduct the repair.
- g. Contact for Warranty Services
- The Contractor will be the initial contact point for all warranty notifications and support requests, regardless of the perceived source of the problem.
  - The Contractor may elect to have toll-free telephone or on-site warranty repair or support services performed by subcontracted personnel; however, if this is the case, the Contractor shall be responsible for coordinating the effort so that the use of any third-party support is transparent to the State and so that the State shall not have to deal directly with the subcontractor.
  - The State reserves the right to approve Subcontractors for warranty service and such subcontractor shall be approved in writing by the State.
- The above notwithstanding, the State reserves the right to contact subcontractors directly if the State deems this to be in the best interest of the State.
- h. Maintenance of Operations and Services during Warranty Work. The correction of errors or Defects in work products and/or services shall not detract from or interfere with software maintenance or operational tasks.
- i. Problems Not Caused by Contractor Fault.
- If Contractor personnel determine that the problem is not the fault of Contractor-provided software or hardware, the Contractor shall notify State support personnel immediately, along with documentation to support that the problem is not the fault of the Contractor.
  - If the State agrees the problem is due to software, hardware, or project management decisions that are the responsibility of the State, the State shall resolve the problem.



However, in this case, if requested by the State, Contractor personnel shall remain on-site and/or dedicated to the problem to perform any required joint functions until the problem is resolved.

- In the event that the State, in its sole discretion, does not agree that the problem is not the fault Contractor provided software or hardware, the Contractor shall resolve the problem.

#### **A.10. Support Coverage and Ongoing Maintenance**

- a. **System Maintenance Support Services:** Ongoing maintenance begins one year after Go-Live (immediately following the warranty period). The Contractor shall provide support services as described below:

The Contractor must provide system maintenance (e.g. upgrades, enhancements, new releases, etc.) and technical support for all products/services provided, including ongoing unlimited telephone technical support problem determination and resolution. The Contractor shall provide to the State all generally publicly available improvements and additions to the functionality, as well as new functions, of the VTRS and provide maintenance services when beneficial to VTRS and the State.

The Contractor shall maintain the VTRS so that it operates in conformity with all descriptions and specifications herein or as otherwise provided by the Contractor, including specifications for the performance of all improved or modified versions which the State has been licensed to use. The Contractor must provide for any upgrades to the VTRS components.

Maintenance services shall include, at a minimum, the detection and correction of system errors according to the specifications described herein and in the Contractor's documentation of the software and the implementation of all program changes, system configuration, new releases/updates, upgrades, enhancements, new versions and implementation of additional programs provided under this contract discovered by the State or otherwise made known to the Contractor. The Contractor agrees to respond to the State inquiries regarding the use and functionality of the solution as issues are encountered by VTRS users.

The Contractor must perform regression testing on upgrades prior to installing/implementing the upgrades into production. In performing the regression testing on a new version/upgrade of the software, the Contractor must certify in writing to the State that all the previous VTRS capabilities still work in accordance with the contract requirements.

System Maintenance shall also include all services necessary to assist the State in maintaining the system operational uptime and recovery from system failures. The Contractor must proactively monitor the system and not rely solely on the State to notify the Contractor of system problems. Contractor shall establish a monthly maintenance schedule and provide for review by the State. If unplanned maintenance is required, the Contractor will work with the State to establish an agreeable timeframe to minimize business operations disruption.

- b. **Performance Monitoring and Tuning Utilities:** The system shall include all utilities for database performance monitoring and tuning. The Contractor's database administrator (DBA) shall be responsible for the performance monitoring and tuning activities of the system.
- c.

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Documentation: The Contractor must provide software documentation that is kept up-to-date with any upgrade or revision to the VTRS. Updated software documentation must be provided to the State at the time of installation of any upgrade or revision to the VTRS, unless otherwise agreed to by the State.

- d. Technical Support: The State shall provide Level 1 Help Desk for State Employees. The list of authorized State personnel to call the Contractor's help desk will be provided to the Contractor. The Contractor's help desk/technical support personnel should be knowledgeable and technically trained to answer/resolve system technical support problems. Contractor shall provide a toll-free line for access Monday through Friday from 6 am – 6 pm CST.

If investigation and research is required by technical staff and the problem cannot be resolved or question answered immediately, then the help desk/technical support staff shall call back within two (2) hours to report progress on the problem's resolution. Help desk staff shall continue, on a daily basis or other basis agreed upon between the State and Contractor, to keep the State staff informed on progress of the problem's resolution.

The Contractor shall keep a log of all maintenance/technical support calls made to the help desk/technical support personnel and document the complaints and problems reported to the help desk system by the State. The log shall be made available to the State as part of monthly reporting as well as any other time upon request by the State. The log must at a minimum contain the following information:

- a. Date and Time of call;
- b. Name of Caller;
- c. Caller's Organization Name;
- d. Caller's telephone number and/or email address;
- e. Description of Reported Problem/Complaint;
- f. Indication of whether the problem/complaint was resolved at time of call;
- g. Description of any follow-up investigation/resolution plans;
- h. Assigned Case number if resolution not provided during call; and
- i. Date of and Description of Final Resolution.

The State reserves the right to determine and assign levels of severity for the issue/support problems. The severity of the issue/support problem shall determine the problem resolution response time as follows:

Severity Level I (Urgent) shall be defined as urgent situations, when the State's system is down and the State is unable to use the system. Failure causes loss of function or Data and there is not a mutually agreed upon workaround. The Contractor's technical support staff shall accept the call for assistance at the time the State places the initial call; however if such staff is not immediately available, the Contractor shall return the call within thirty (30) minutes. The Contractor shall resolve Severity Level I problems as quickly as possible, which shall not exceed two (2) hours unless mutually agreed between the Contractor and the State.





Severity Level 2 (High) shall be defined as critical system component(s) that has significant outages and/or failure precluding its successful operation, or possibly endangering the State's environment. The system may operate, but is severely restricted. Failure causes a loss of function or Data, but there is a mutually agreed upon workaround. The Contractor's technical support staff shall accept the State's call for assistance at the time the State places the initial call; however, if such staff is not immediately available, the Contractor shall return the State's call within thirty (30) minutes. The Contractor shall resolve Severity Level 2 problems as quickly as possible, which shall not exceed four (4) hours, unless mutually agreed between the Contractor and the State.

Severity Level 3 (Medium) shall be defined as a minor problem that exists with the system, but the majority of the functions are still usable and some circumvention may be required to provide service. Failure causes a partial loss of function, but users can accomplish tasks with a mutually agreed upon workaround. The Contractor's technical support staff shall accept the State's call for assistance at the time the State places the initial call; however, if such staff is not immediately available, the Contractor shall return the State's call on average within thirty (30) minutes. The Contractor shall resolve Severity Level 3 problems as quickly as possible, which shall not exceed two (2) days, unless mutually agreed between the Contractor and the State.

Severity Level 4 (Low): shall be defined as cosmetic and minor errors; all the user tasks can still be accomplished. Example: Grammar errors, color changes, misspelled words, layout, etc. The Contractor's technical support staff shall accept the State's call for assistance at the time the State places the initial call; however, if such staff is not immediately available, the Contractor shall return the State's call on average within 1 business day. The Contractor shall resolve Severity Level 4 problems as mutually agreed between the Contractor and the State.

**Problem Resolution Response Time:** The State defines the problem resolution response time as the total elapsed time from when the Contractor's qualified service technician has been contacted by the State and the system error/nonconformity severity level has been determined until the time when the issue or problem has been fixed, tested, and verified as being resolved as reasonably determined by the State in accordance with the aforementioned severity level provisions. At the request of the State, the Contractor shall provide on-site support as needed.

#### **A.11. Contract Transition**

##### **(1) Protection of VTRS during Transition-Out**

(a) During the last year of the contract, the Contractor will cooperate with the State and assist in planning for an orderly exit strategy in order to protect the VTRS operations during Transition-Out. The "last year of the contract" could be either the last year of the initial seven-year contract term, or the final year of any contract term renewal as provided for in Contract Section B.2.

(b) The VTRS developed and implemented under this procurement shall remain operational during the Transition-Out period. In the event that a different Contractor is awarded a subsequent contract, the Contractor shall provide continuing services as the State transitions itself to receive such services from a new Contractor.

(2) Prepare and Deliver the VTRS Transition-Out and Closeout Plan. The Contractor will prepare a Transition-Out and Closeout Plan and provide to the Project Manager for review and approval twelve (12) months prior to the end of the Contract. The Transition-Out and Closeout Plan will include:

(a) Comprehensive Narrative. Comprehensive narrative that illustrates how to exit the contract, while ensuring seamless transition of users and maintaining adequate controls and accountability for online activities.

(b) Detailed Inventory. Detailed inventory of applications and Data files.

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(c) Program Documentation. Delivery of all State records, applications, Data, and agreements, including working papers and operational documentation related to the VTRS contract.

(3) Execute the VTRS Transition-Out and Closeout Plan

A.12. Illicit Code

- a. Contractor represents and warrants that it shall not under any circumstances or conditions install various disabling devices, access codes, traps, copy protection devices, keys, time or date bugs, lock-up or deactivating devices, time bombs, termination by remote access, removal of source code, or other programs or code in the software or work product which could erase, corrupt, restrict use of, modify any Data of the State, freeze, interfere with, or prevent the State's use of the software or its computing environment, destroy or terminate software or work product or Data contained in it, or bypass any internal or external software security measure in order to obtain access to the systems or Data of the State without the written consent of the State. Contractor also warrants that no other similar types of electronic techniques will be used at any time in the future.
- b. The Contractor shall warrant that, unless necessary, to perform valid duties under this contract or can be verified and documented as to not cause harm to the State's operating environment and/or utilization of the system, any system programs developed or provided by the Contractor under this contract to the State shall:
  - Contain no hidden files;
  - Not replicate, transmit, or activate itself without control of a person operating computing equipment on which it resides;
  - Not alter, damage, or erase any Data or computer programs without control of a person operating the computing equipment on which it resides;
  - Contain no virus or similar code known or unknown to the Contractor;
  - Contain no enabled restrictive key, node lock, time-out or other function, whether implemented by electronic, mechanical, or other means, which limits/hinders the use or access to any software programs based on residency on a specific hardware configuration, frequency of duration of use, or other limiting criteria.

A.13. System Availability/Business Continuity/Disaster Recovery.

The Contractor shall adhere to the following system configuration requirements and service level agreements ("SLAs") for the VTRS application:

- a. **Availability** — The Contractor will design the system to ensure that the application and all associated components will be available 98% of the time. The VTRS is allowed cumulative downtime equal to one (1) hour or less per Contract year excluding scheduled maintenance.
- b. **Downtime** — Refer to Attachment 4 Liquidated Damages.
- c. **Recovery Time Objective (RTO)** — The Contractor will design the system such that the system can be recovered within 4 hours at the secondary data center located approximately 100 miles from the primary site. The Disaster Recovery system located at the secondary site shall have sufficient capacity, and shall be configured, to enable seamless failover and support daily operations at the same performance level as the production system. This equates to an RTO of 4 hours.



- d. **Recovery Point Objective (RPO)** — The Contractor will design the system such that the Data can be synchronously replicated between both data center facilities resulting in no loss of Data due to a failover event. This equates to an RPO of 0.

A.14. **Inspection and Acceptance**

The State shall have the right to inspect all goods or services provided by Contractor under this Contract. If, upon inspection, the State determines that the goods or services are Defective, the State shall notify Contractor, and Contractor shall re-deliver the goods or provide the services at no additional cost to the State. If after a period of thirty (30) days following delivery of goods or performance of services the State does not provide a notice of any Defects, the goods or services shall be deemed to have been accepted by the State.

A. 15. **Additional Work**

The State may request, at its sole discretion, additional work involving the enhancement or modification of a deliverable under the Contract Scope, provided that this Contract is amended, pursuant to Section D.3. Remuneration for any such additional work shall be based on the applicable "contingent," payment rate(s) detailed in Section C.3 of this Contract.

A. 16. **Change Orders**

The State may, at its sole discretion and with written notice to the Contractor, request changes in the Scope that are necessary but were inadvertently unspecified in this Contract.

- a. **Change Order Creation**— After receipt of a written request for additional services from the State, the Contractor shall respond to the State, within a maximum of ten (10) business days, with a written proposal for completing the service. Contractor's proposal must specify:

- the effect, if any, of implementing the requested change(s) on all other services required under this Contract;
- the specific effort involved in completing the change(s);
- the expected schedule for completing the change(s);
- the maximum number of person hours required for the change(s); and
- the maximum cost for the change(s)— this maximum cost shall in no instance exceed the product of the person hours required multiplied by the appropriate payment rate proposed for such work.

The Contractor shall not perform any additional service until the State has approved the proposal. If approved, the State will sign the proposal, and it shall constitute a Change Order between the Contract Parties pertaining to the specified change(s) and shall be incorporated, hereby, as a part of this Contract.

- **Change Order Performance**— Subsequent to creation of a Change Order, the Contractor shall complete the required services. The State will be the sole judge of the acceptable completion of work and, upon such determination, shall provide the Contractor written approval.



- **Change Order Remuneration**— The State will remunerate the Contractor only for acceptable work. All acceptable work performed pursuant to an approved Change Order, without a formal amendment of this Contract, shall be remunerated in accordance with and further limited by Contract Section C.3.c., **PROVIDED THAT**, the State shall be liable to the Contractor only for the cost of the actual goods or services provided to complete the necessary work, not to exceed the maximum cost for the change detailed in the Change Order. In no instance shall the State be liable to the Contractor for any amount exceeding the maximum cost specified by the Change Order authorizing the goods or services. Upon State approval of the work, the Contractor shall invoice the State in accordance with the relevant provisions of this Contract.

**B. CONTRACT PERIOD:**

- B.1.** This Contract shall be effective for the period beginning 04/01/2015 and ending on 03/31/2022, for eighty four (84) months. The Contractor hereby acknowledges and affirms that the State shall have no obligation for services rendered by the Contractor which were not performed within this specified contract period.
- B.2.** **Renewal Options.** This Contract may be renewed upon satisfactory completion of the Term. The State reserves the right to execute up to three (3) renewal options under the same terms and conditions for a period not to exceed twelve (12) months each by the State, at the State's sole option. In no event, however, shall the maximum Term, including all renewals exceed a total of one hundred twenty (120) months.

**C. PAYMENT TERMS AND CONDITIONS:**

- C.1.** **Maximum Liability.** In no event shall the maximum liability of the State under this Contract exceed Twenty Four Million Seventy-Five Thousand Six Hundred Dollars (\$ 24,075,000). The payment rates in section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any renewals of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

- C.2.** **Compensation Firm.** The payment rates and the maximum liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.
- C.3.** **Payment Methodology.** The Contractor shall be compensated after Go-Live based on the payment rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in section C.1.

- a. The Contractor's compensation shall commence upon Go-Live.
- b. The Contractor shall be compensated monthly based on the following:

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- The State shall pay the Contractor \$0.60 per Transaction processed through the VTRS. "Transaction" means any initial motor vehicle registration or any renewal of a motor vehicle registration for which a fee is collected by the State, excluding government vehicles.
  - Upon renewal of this Contract, the Contractor may request an increase in the monthly payment fee. The maximum increase of the fee shall not exceed the current CPI percentage rate (as found at the Bureau of Labor and Statistics website <http://www.bls.gov/CPI/>) or three (3) percent per year, whichever is larger.
- c. The Contractor shall be compensated for changes requested and performed pursuant to Contract Section Reference, without a formal amendment of this Contract based upon the payment rates detailed in the schedule below and as agreed pursuant to Section Reference, PROVIDED THAT compensation to the Contractor for such "change order" work shall not exceed Seven Percent (7 %) of the sum of milestone payment rates detailed in Section C.3.b., above (which is the total cost for the milestones and associated deliverables set forth in Contract Sections A.3., through A.7.). If, at any point during the Term, the State determines that the cost of necessary "change order" work would exceed the maximum amount, the State may amend this Contract to address the need.
- d. The following daily rates shall apply for any Change Order as specified at Section A.16:

Resource/ Hourly Rates	Remote	On-site
Project Manager	\$200.00	\$250.00
Business Analyst	\$150.00	\$187.50
Developer	\$150.00	\$187.50
Documentation and Support	\$100.00	\$125.00
Other		

- C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.
- C.5. Invoice Requirements. The Contractor shall invoice the State only after completion of all work, described in Section A of this Contract, and present invoices no more often than monthly, with all necessary supporting documentation, to:

John Duncan, Director  
TN Dept of Revenue  
500 Deaderick St, 8th floor  
615-253-7331  
Fax: 615-741-1731

- a. Each invoice, on Contractor's letterhead, shall clearly and accurately detail all of the following information (calculations must be extended and totaled correctly):
- (1) Invoice number (assigned by the Contractor);
  - (2) Invoice date;
  - (3) Contract number (assigned by the State);
  - (4) Customer account name: Tennessee Department of Revenue
  - (5) Customer account number (assigned by the Contractor to the above-referenced Customer);
  - (6) Contractor name;



- (7) Contractor Tennessee Edison registration ID number;
- (8) Contractor contact for invoice questions (name, phone, or email);
- (9) Contractor remittance address;
- (10) Description of delivered goods or services provided and invoiced, including identifying information as applicable; and
- (11) Total amount due for delivered goods or services provided (as stipulated in Section C.3. above).

b. The Contractor understands and agrees that an invoice under this Contract shall:

- (1) only include charges for goods delivered or services provided as described in Section A and in accordance with payment terms and conditions set forth in Contract Section C;
- (2) only be submitted for goods delivered or services completed and shall not include any charge for future goods to be delivered or services to be performed;
- (3) not include Contractor's taxes which includes without limitation Contractor's sales and use tax, excise taxes, franchise taxes, real or personal property taxes, or income taxes; and
- (4) begin the timeframe for payment (and any discounts) only when the State is in receipt of the invoice, and the invoice meets the minimum requirements of this Section C.5.

**C.6. Payment of Invoice.** A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or matter in relation thereto. A payment by the State shall not be construed as acceptance of any part of the work or service provided or as approval of any amount invoiced.

In accordance with Tennessee Code Annotated § 12-4-703 the State shall pay all invoices within forty-five (45) days after receipt of the invoice covering the delivered items or services.

**C.7. Invoice Reductions.** The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, not to constitute proper remuneration for compensable services.

In the event the State experiences significant disruption to business continuity from software malfunction the State reserves the right to negotiate a discounted monthly maintenance cost until the problems have been resolved to the State's satisfaction.

**C.8. Deductions.** The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee any amounts, which are or shall become due and payable to the State of Tennessee by the Contractor.

**C.9. Prerequisite Documentation.** The Contractor shall not invoice the State under this Contract until the State has received the following documentation properly completed.

- a. The Contractor shall complete, sign, and present to the State an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once said form is received by the State, all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH).
- b. The Contractor shall complete, sign, and present to the State a "Substitute W-9 Form" provided by the State. The taxpayer identification number detailed by said form must agree



with the Contractor's Federal Employer Identification Number or Tennessee Edison Registration ID referenced in this Contract.

**D. STANDARD TERMS AND CONDITIONS:**

- D.1. Required Approvals. The State is not bound by this Contract until it is duly approved by the Parties and all appropriate State officials in accordance with applicable Tennessee laws and regulations. Depending upon the specifics of this Contract, this may include approvals by the Commissioner of Finance and Administration, the Commissioner of Human Resources, the Comptroller of the Treasury, and the Chief Procurement Officer. Approvals shall be evidenced by a signature or electronic approval.
- D.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective Party at the appropriate mailing address, facsimile number, or email address as stated below or any other address provided in writing by a Party.

The State:

John Duncan, Director  
TN Dept of Revenue  
500 Deaderick St, 8th floor  
615-253-7331  
Fax: 615-741-1731

The Contractor:

Chris Laisure, CEO  
Business Information Systems  
333 Industrial Park Rd. Piney Flats, TN 37686  
chris@bisonline.com  
Telephone #: (866)514-5192  
FAX #: (866)855-5999

All instructions, notices, consents, demands, or other communications shall be considered effective upon receipt or recipient confirmation as may be required.

- D.3. Modification and Amendment. This Contract may be modified only by a written amendment signed by all Parties and approved by all applicable State officials. The State's exercise of a valid Renewal Option does not constitute an amendment so long as there are no other changes to the Contract's terms and conditions.
- D.4. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State or federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate this Contract upon written notice to the Contractor. The State's exercise of its right to terminate this Contract shall not constitute a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. If the State terminates this Contract due to lack of funds availability, the Contractor shall be entitled to compensation for all conforming goods requested and accepted by the State and for all satisfactory and authorized services completed as of the termination date. Should the State exercise its right to terminate this Contract due to unavailability of funds, the Contractor



shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages of any description or amount.

- D.5. Termination for Convenience. The State may terminate this Contract for convenience without cause and for any reason. The State shall give the Contractor at least thirty (30) days written notice before the termination date. The Contractor shall be entitled to compensation for all conforming goods delivered and accepted by the State or for satisfactory, authorized services completed as of the termination date. In no event shall the State be liable to the Contractor for compensation for any goods neither requested nor accepted by the State or for any services neither requested by the State nor satisfactorily performed by the Contractor. In no event shall the State's exercise of its right to terminate this Contract for convenience relieve the Contractor of any liability to the State for any damages or claims arising under this Contract.
- D.6. Termination for Cause. If a Party ("Breaching Party") fails to properly perform its obligations under this Contract, or if a Party materially violates any terms of this Contract ("Breach Condition"), the other Party ("Non-breaching Party") may provide written notice to the Breaching Party specifying the Breach Condition. If within thirty (30) days of notice, the Breaching Party has not cured the Breach Condition, the Non-breaching Party may terminate the Contract. In the event the Non-breaching Party is the State, the State may withhold payments in excess of compensation for completed services or provided goods. The Breaching Party shall not be relieved of liability to the Non-breaching Party for damages sustained by virtue of any breach of this Contract, and the Non-breaching Party may seek other remedies allowed at law or in equity for breach of this Contract.
- D.7. Assignment and Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the goods or services provided under this Contract without the prior written approval of the State. Notwithstanding any use of the approved subcontractors, the Contractor shall be the prime Contractor and responsible for compliance with all terms and conditions of this Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving an assignment of this Contract in whole or in part or the use of subcontractors in fulfilling the Contractor's obligations under this Contract.
- D.8. Conflicts of Interest. The Contractor warrants that no part of the Contractor's compensation shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed under this Contract.
- The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six (6) months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six (6) months has been, an employee of the State of Tennessee.
- D.9. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, creed, color, religion, sex, national origin, or any other classification protected by federal or state law. The Contractor shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.10. Prohibition of Illegal Immigrants. The requirements of Tenn. Code Ann. § 12-3-309 addressing the use of illegal immigrants in the performance of any contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.





- a. The Contractor agrees that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment 3, semi-annually during the Term. If the Contractor is a party to more than one contract with the State, the Contractor may submit one attestation that applies to all contracts with the State. All Contractor attestations shall be maintained by the Contractor and made available to State officials upon request.
  - b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the Term, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work under this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work under this Contract. Attestations obtained from subcontractors shall be maintained by the Contractor and made available to State officials upon request.
  - c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Contractor's records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
  - d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Tenn. Code Ann. § 12-3-309 for acts or omissions occurring after its effective date.
  - e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not: (i) a United States citizen; (ii) a Lawful Permanent Resident; (iii) a person whose physical presence in the United States is authorized; (iv) allowed by the federal Department of Homeland Security and who, under federal immigration laws or regulations, is authorized to be employed in the U.S.; or (v) is otherwise authorized to provide services under the Contract.
- D.11. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, for work performed or money received under this Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.12. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.13. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.14. Strict Performance. Failure by any Party to this Contract to require, in any one or more cases, the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the Parties.
- D.15. Independent Contractor. The Parties shall not act as employees, partners, joint venturers, or associates of one another. The Parties are independent contracting entities. Nothing in this Contract shall be construed to create an employer/employee relationship or to allow either Party



to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one Party are not employees or agents of the other Party.

- D.16. Patient Protection and Affordable Care Act. The Contractor agrees that it will be responsible for compliance with the Patient Protection and Affordable Care Act ("PPACA") with respect to itself and its employees, including any obligation to report health insurance coverage, provide health insurance coverage, or pay any financial assessment, tax, or penalty for not providing health insurance. The Contractor shall indemnify the State and hold it harmless for any costs to the State arising from Contractor's failure to fulfill its PPACA responsibilities for itself or its employees.
- D.17. Limitation of State's Liability. The State shall have no liability except as specifically provided in this Contract. In no event will the State be liable to the Contractor or any other party for any lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, money, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Contract or otherwise. The State's total liability under this Contract (including any exhibits, schedules, amendments or other attachments to the Contract) or otherwise shall under no circumstances exceed the Maximum Liability. This limitation of liability is cumulative and not per incident.
- D.18. Limitation of Contractor's Liability. In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to two (2) times the Maximum Liability amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of the Contractor for intentional torts, criminal acts, fraudulent conduct, or omissions that result in personal injuries or death.
- D.19. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State to enforce the terms of this Contract.

In the event of any suit or claim, the Parties shall give each other immediate notice and provide all necessary assistance to respond. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.

- D.20. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Health Information Technology for Economic and Clinical Health ("HITECH") Act and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of this Contract.
- a. Contractor warrants to the State that it is familiar with the requirements of the Privacy Rules, and will comply with all applicable requirements in the course of this Contract.
  - b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of the Contract so that both parties will be in compliance with the Privacy Rules.



- c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the State and Contractor in compliance with the Privacy Rules. This provision shall not apply if information received or delivered by the parties under this Contract is NOT "protected health information" as defined by the Privacy Rules, or if the Privacy Rules permit the parties to receive or deliver the information without entering into a business associate agreement or signing another document.
  - d. The Contractor will indemnify the State and hold it harmless for any violation by the Contractor or its subcontractors of the Privacy Rules. This includes the costs of responding to a breach of protected health information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the State because of the violation.
- D.21. Tennessee Consolidated Retirement System. Subject to statutory exceptions contained in Tenn. Code Ann. §§ 8-36-801, *et seq.*, the law governing the Tennessee Consolidated Retirement System ("TCRS"), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established under Tenn. Code Ann. §§ 8-35-101, *et seq.*, accepts State employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent Contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the Term.
- D.22. Tennessee Department of Revenue Registration. The Contractor shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 6-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Contract.
- D.23. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:
- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
  - b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
  - c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
  - d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Contractor shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified.



- D.24. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Contract arising from a Force Majeure Event is not a default under this Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Contractor's representatives, suppliers, subcontractors, customers or business apart from this Contract is not a Force Majeure Event under this Contract. Contractor will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Contractor's performance longer than forty-eight (48) hours, the State may, upon notice to Contractor: (a) cease payment of the fees until Contractor resumes performance of the affected obligations; or (b) immediately terminate this Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Contractor will not increase its charges under this Contract or charge the State any fees other than those provided for in this Contract as the result of a Force Majeure Event.
- D.25. State and Federal Compliance. The Contractor shall comply with all applicable state and federal laws and regulations in the performance of this Contract.
- D.26. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Tennessee Claims Commission or the state or federal courts in Tennessee shall be the venue for all claims, disputes, or disagreements arising under this Contract. The Contractor acknowledges and agrees that any rights, claims, or remedies against the State of Tennessee or its employees arising under this Contract shall be subject to and limited to those rights and remedies available under Tenn. Code Ann. §§ 9-8-101 - 407.
- D.27. Entire Agreement. This Contract is complete and contains the entire understanding between the Parties relating to its subject matter, including all the terms and conditions of the Parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the Parties, whether written or oral.
- D.28. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions of this Contract shall not be affected and shall remain in full force and effect. The terms and conditions of this Contract are severable.
- D.29. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.
- D.30. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below:
- a. any amendment to this Contract, with the latter in time controlling over any earlier amendments;
  - b. this Contract with any attachments or exhibits (excluding the items listed at subsections c. through f., below);

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- c. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
- d. the State solicitation, as may be amended, requesting responses in competition for this Contract;
- e. any technical specifications provided to proposers during the procurement process to award this Contract; and,
- f. the Contractor's response seeking this Contract.

**E. SPECIAL TERMS AND CONDITIONS:**

E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, the special terms and conditions shall be subordinate to the Contract's other terms and conditions.

E.2. Insurance. The Contractor shall carry adequate liability and other appropriate forms of insurance.

a. The Contractor shall maintain, at minimum, the following insurance coverage:

- (1) Workers' Compensation/ Employers' Liability (including all states coverage) with a limit not less than the relevant statutory amount or one million dollars (\$1,000,000) per occurrence for employers' liability whichever is greater.
- (2) Comprehensive Commercial General Liability (including personal injury & property damage, premises/operations, Independent Contractor, contractual liability and completed operations/products) with a bodily injury/property damage combined single limit not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate.
- (3) Automobile Coverage (including owned, leased, hired, and non-owned vehicles) with a bodily injury/property damage combined single limit not less than one million dollars (\$1,000,000) per occurrence.
- (4) Errors and Omission Coverage with a limit of not less than one million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) aggregate.

b. The Contractor shall provide a valid Certificate of Insurance naming the State as an additional insured and detailing Coverage Description; Insurance Company & Policy Number; Exceptions and Exclusions; Policy Effective Date; Policy Expiration Date; Limit(s) of Liability; and Name and Address of Insured. Contractor shall obtain from Contractor's insurance carrier(s) and will deliver to the State waivers of the subrogation rights under the respective policies. Failure to provide required evidence of insurance coverage shall be a material breach of this Contract.

E.3. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State that is regarded as confidential under state or federal law shall be regarded as "Confidential Information." Nothing in this Section shall permit Contractor to disclose any Confidential Information, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties. Confidential Information shall not be disclosed except as required or permitted under state or federal law. Contractor shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state

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and federal law.

The obligations set forth in this Section shall survive the termination of this Contract.

The Contractor shall maintain the confidentiality of "personal information" and "highly restricted personal information," as defined in Tenn. Code Ann. § 55-25-103, in accordance with the requirements of the Tennessee Uniform Motor Vehicles Records Disclosure Act, Tenn. Code Ann. §§ 55-25-101 through -110, and the Federal Drivers' Privacy Protection Act of 1994, 18 U.S.C.A. §§ 2721 through 2725, and all other applicable laws, regulations, and procedures regarding such protected information.

The Contractor shall report to the State any unauthorized disclosure of protected information that comes to the Contractor's attention. Any such report shall be made by the Contractor within twenty-four (24) hours after the instance has come to the attention of the Contractor.

If the Contractor receives written approval from the State to assign this Contract or to enter into a subcontract for any of the services performed under this contract, the subcontract shall contain language that binds the subcontractor to the same confidentiality provisions and restrictions to which the Contractor is bound under this Contract.

It is expressly understood and agreed that the obligations set forth in this section shall survive the termination of this Contract.

E.4. Printing Authorization. The Contractor agrees that no publication coming within the jurisdiction of Tenn. Code Ann. §§ 12-7-101, *et. seq.*, shall be printed pursuant to this Contract unless a printing authorization number has been obtained and affixed as required by Tenn. Code Ann. § 12-7-103 (d).

E.5. Reserved

E.6. Ownership of Software and Work Products.

a. Definitions.

- (1) "Contractor-Owned Software," shall mean commercially available software the rights to which are owned by Contractor, including but not limited to commercial "off-the-shelf" software which is not developed using State's money or resources.
- (2) "Custom-Developed Application Software," shall mean customized application software developed by Contractor for State under this Contract intended to function in connection with the Contractor-Owned Software.
- (3) "Rights Transfer Application Software," shall mean any pre-existing application software owned by Contractor or a third party, provided to State and to which Contractor will grant and assign, or will facilitate the granting and assignment of, all rights, including the source code, to State.
- (4) "Third-Party Software," shall mean software not owned by the State or the Contractor.
- (5) "Work Product," shall mean all deliverables exclusive of hardware, such as software, software source code, documentation, planning, etc., that are created, designed, developed, or documented by the Contractor exclusively for the State



during the course of the project using State's money or resources, including Custom-Developed Application Software. If the deliverables under this Contract include Rights Transfer Application Software, the definition of Work Product shall also include such software. Work Product shall not include Contractor-Owned Software or Third-Party Software.

b. Rights and Title to the Software

- (1) All right, title and interest in and to the Contractor-Owned Software shall at all times remain with Contractor, subject to any license granted under this Contract. Contractor grants the State a perpetual non-exclusive license to the Contractor-Owned Software to be used solely with the Custom-Developed Application Software.
- (2) All right, title and interest in and to the Work Product, and to modifications thereof made by State, including without limitation all copyrights, patents, trade secrets and other intellectual property and other proprietary rights embodied by and arising out of the Work Product, shall belong to State. To the extent such rights do not automatically belong to State, Contractor hereby assigns, transfers, and conveys all right, title and interest in and to the Work Product, including without limitation the copyrights, patents, trade secrets, and other intellectual property rights arising out of or embodied by the Work Product. Contractor and its employees, agents, contractors or representatives shall execute any other documents that State or its counsel deem necessary or desirable to document this transfer or allow State to register its claims and rights to such intellectual property rights or enforce them against third parties. Contractor shall provide the source code in the Work Product and the Contractor-Owned Software, with all subsequent modifications, enhancements, bug-fixes or any other changes in the source code of the Work Product or the Contractor-Owned Software and all other code and documentation necessary for the Work Product and the Contractor-Owned Software to be installed and function as intended and as set forth in this Contract ("Contractor Source Code"), to the State. The State shall not sell, lease or transfer, other than transfers due to reorganization of State functions, the Work Product, the Contractor-Owned Software, or the Contractor Source Code to any third party without the permission of the Contractor. Contractor may lease or sell the Custom-Developed Application Software to third parties without the permission of the State and without any obligation to pay royalties to the State.
- (3) All right, title and interest in and to the Third-Party Software shall at all times remain with the third party, subject to any license granted under this Contract.

- c. The Contractor may use for its own purposes the general knowledge, skills, experience, ideas, concepts, know-how, and techniques obtained and used during the course of performing under this Contract. The Contractor may develop for itself, or for others, materials which are similar to or competitive with those that are produced under this Contract.

E.7. Reimbursement: This Contract provides for reimbursement of the cost of goods, materials, supplies, equipment, or contracted services. Any goods, materials, supplies, equipment or contracted services procured by Contractor under this Contract shall be procured on a competitive basis when practicable. The Contractor shall maintain documentation supporting Contractor's request for reimbursement. In each instance where it is determined that use of a

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competitive procurement method was not practicable, Contractor shall seek approval of the State Agency Head's Title to procure by non-competitive procurement as a condition for reimbursement.

E.8. State and Other Contractor Furnished Property

State Furnished Property

The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible personal property furnished by the State for the Contractor's use under this Contract. Upon termination of this Contract, all property furnished by the State shall be returned to the State in the same condition as when received, less reasonable wear and tear. Should the property be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the fair market value of the property at the time of loss.

Other Contractor Furnished Property:

For Contractor furnished property other than any Contractor-Owned Software, Work Product or anything else supplied by Contractor under the provisions of Section E.6. of this Contract or otherwise constituting a deliverable under this Contract ("Other Contractor Furnished Property"), the State shall be responsible for the correct use, maintenance and protection of all Other Contractor Furnished Property. Other Contractor Furnished Property shall include equipment and software provided by the Contractor to the State for training purposes. Upon termination of this Contract, any Other Contractor Furnished Property shall upon request of Contractor be returned to the Contractor in the same condition as when received, less reasonable wear and tear. Should the Other Contractor Furnished Property be destroyed, lost, or stolen, the State shall be responsible to the Contractor for the fair market value of the Other Contractor Furnished Property.

E.9. Work Papers Subject to Review. The Contractor shall make all audit, accounting, or financial analysis work papers, notes, and other documentation limited to this contract available for review by the Comptroller of the Treasury or his representatives, upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Contract.

E.10. Prohibited Advertising or Marketing. The Contractor shall not suggest or imply in advertising or marketing materials that Contractor's goods or services are endorsed by the State. The restrictions on Contractor advertising or marketing materials under this Section shall survive the termination of this Contract.

E.11. Reserved

E.12. Environmental Tobacco Smoke. Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the Tennessee "Children's Act for Clean Indoor Air of 1995," the Contractor shall prohibit smoking of tobacco products within any indoor premises in which services are provided pursuant to this Contract to individuals under the age of eighteen (18) years. The Contractor shall post "no smoking" signs in appropriate, permanent sites within such premises. This prohibition shall be applicable during all hours, not just the hours in which children are present. Violators of the prohibition may be subject to civil penalties and fines. This prohibition shall apply to and be made part of any subcontract related to this Contract.

E.13. Lobbying. The Contractor certifies, to the best of its knowledge and belief, that:

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- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of an agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with any contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- c. The Contractor shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352.

E.14. Reserved

E.15. Intellectual Property. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State concerning or arising out of any claim of an alleged patent, copyright, trade secret or other intellectual property infringement relating to this contract. In any such claim or action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any settlement or final judgment, and the Contractor shall be responsible for all legal or other fees or expenses incurred by the State arising from any such claim. The State shall give the Contractor notice of any such claim or suit and full right and opportunity to conduct the Contractor's own defense thereof, however, the failure of the State to give such notice shall only relieve Contractor of its obligations under this Section to the extent Contractor can demonstrate actual prejudice arising from the State's failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State of Tennessee in any legal matter, as provided in Tenn. Code Ann. § 8-6-106.

E.16. Liquidated Damages. If VTRS is unavailable and users are unable to process titles and registrations for more than 48 hours Liquidated Damages may be assessed. The amount of Liquidated Damages to be assessed is outlined in Attachment 4.

The State shall notify the Contractor when it plans to assess and the amounts to be assessed as Liquidated Damages. The Parties agree that the Liquidated Damages represent solely the damages and injuries sustained by the State in losing the benefit of the bargain with Contractor and do not include any injury or damage sustained by a third party. The Contractor agrees that the Liquidated Damages are in addition to any amounts Contractor may owe the State pursuant to the indemnity provision or any other sections of this Contract.

The State is not obligated to assess Liquidated Damages before availing itself of any other



remedy. The State may choose to discontinue Liquidated Damages and avail itself of any other remedy available under this Contract or at law or equity.

IN WITNESS WHEREOF,

BUSINESS INFORMATION SYSTEMS:

*Christopher Lee* 3-12-15  
CONTRACTOR SIGNATURE DATE

Christopher Lee Laisure CEO/owner  
PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

DEPARTMENT OF REVENUE:  
*Richard H. Roberts* 3/19/2015  
COMMISSIONER RICHARD H. ROBERTS DATE

ATTACHMENT 1  
COMPREHENSIVE PROJECT MANAGEMENT PLAN

The Comprehensive Project Management Plan will include, but not be limited to the following items:

**PHASE 1**

- **Project Initiation**
  - Announce Goals and Objectives
  - Proposed Agenda Meeting
  - Begin to Develop Strategies and Plans
  - Research Previous Experience
  - Develop Project Charter
  - Prepare Preliminary Project Scope Statement
  - Finalize Project Contract
- **Scope**
  - Define Project Objectives
  - Define Project Goals
  - Define Project Phases and Sub-Phases
  - Define Project Tasks
  - Prepare Project Scope Statement
  - Document Assumptions
  - Scope Complete
- **Schedule**
  - Define Core Resources and Develop Resource Plans
  - Prepare Project Estimates
  - Develop Project Schedule
  - Present Schedule and Obtain Approvals
- **Develop Risk Plans**
  - Risk Management Plan
  - Identify Risks
  - Analyze Risks



- **Business Process Documentation**
  - Newly designed to be business process flow
  - Supporting detailed documentation as appropriate
- **Software Requirements/Analysis**
  - Conduct Needs Analysis
  - Initial Requirements Elicitation
  - Draft Preliminary Software Specifications
  - Review Software Specifications with Teams
  - Incorporate Feedback on Software Specifications
  - Obtain Approvals to Proceed
  - Software Analysis Complete
- **Hardware Requirements/Analysis**
  - Conduct Needs Analysis
  - Draft Preliminary Hardware Specifications
  - Review Hardware Specifications with Teams
  - Incorporate Feedback on Hardware Specifications
  - Obtain Approvals to Proceed
  - Hardware Analysis Complete
- **Design**
  - **Software**
    - Review Preliminary Software Specifications
    - Develop Functional Specifications Document
    - Review Functional Specifications

#### **ATTACHMENT 1**

#### **COMPREHENSIVE PROJECT MANAGEMENT PLAN**

- Incorporate Feedback into Functional Specifications
- Obtain Approvals to Proceed
- **Hardware**
  - Develop Functional Specifications
  - Review Functional Specifications
  - Incorporate Feedback into Functional Specifications
  - Obtain Approvals to Proceed
- **Database**
  - Schema
  - APIs
- **Design Complete**

#### **PHASE 2**

- **Hardware Installation and Setup**
  - Install
  - Setup/Configuration

#### **PHASE 3**

- **Database Setup**
  - Create Database
  - Convert/Import Data
- **Development**
  - Assign Development Staff
  - Review Functional Specifications
  - Develop Code
  - Developer Testing (primary debugging)
  - Initial Development Complete
- **Testing**
  - **Develop Test Plans**
    - Develop unit test plans using specifications
    - Develop integration test plans using specifications

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- Develop system test plans using specifications
- **Unit Testing**
  - Review modular code
  - Test component modules to specifications
  - Identify anomalies to specifications
  - Modifications
  - Re-test modifications
  - Unit testing complete
- **Integration Testing**
  - Test module integrations
  - Identify anomalies to specifications
  - Modifications
  - Re-test modifications
  - Integration testing complete
- **System Testing**
  - Test functionality
  - Test usability
  - Load testing
  - Modifications
  - Re-test modifications
  - System testing complete
- **Testing Complete**

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**ATTACHMENT 1**  
**COMPREHENSIVE PROJECT MANAGEMENT PLAN**

- **Training Materials**
  - Develop Training Specifications for End Users
  - Develop Training Specifications for Help Desk Support Staff
  - Identify Training Delivery Methodology (computer based training, classroom, etc.)
  - Develop Training Materials
  - Conduct Training Usability Study
  - Finalize Training Materials
  - Develop Training Delivery Mechanism
  - Training Materials Complete
- **Documentation**
  - Develop Help Specifications
  - Develop Help System
  - Review Help Documentation
  - Incorporate Help Documentation Feedback
  - Develop User Manuals Specifications
  - Develop User Manuals
  - Review All User Documentation
  - Incorporate User Documentation Feedback
  - Documentation Complete
- **Pilot**
  - Identify Test Group
  - Develop Software Delivery Mechanism
  - Install/Deploy Software
  - Obtain User Feedback
  - Evaluate Testing Information
  - Pilot Complete
- **Deployment**
  - Determine Final Deployment Strategy
  - Develop Deployment Methodology
  - Secure Deployment Resources
  - Train Support Staff
  - Deploy Software
  - Deployment Complete
- **Post Implementation Review**
  - Assess Satisfaction
  - Document Project Results and Lessons Learned
  - Review and Recognize Team Performance
  - Post Implementation Review Complete
- **Project Complete**



## ATTACHMENT 2 REQUIREMENTS

### Requirements

#### 1. Title

- a) VTRS will Issue vehicle titles
- b) VTRS will Issue vehicle salvage certifications
- c) VTRS will Issue vehicle non-repairable certifications
- d) VTRS will Issue duplicate titles
- e) VTRS will Revoke or inactivate titles
- f) VTRS will accommodate permanent and multiple title brands, such as rebuilt, flood damaged, or methamphetamine vehicle. Certain brands are permanent and must always be associated with the vehicle.
- g) VTRS will perform VIN validation when a vehicle is added to the system except when the VIN is assigned to the vehicle by Tennessee (TNVIN)
- h) VTRS will route or assign the title to the appropriate owner or lien holder
- i) VTRS will direct correspondence to the appropriate individual in the event a vehicle is leased and reported as an abandoned vehicle.
- j) VTRS will Record and discharge liens on a vehicle when received in bulk from a lender (batch lien discharge).
- k) VTRS will associate more than one lien on the same vehicle.
- l) VTRS will automatically discharge liens, when appropriate
- m) VTRS will calculate titling fees
- n) VTRS will calculate wheel tax fees.
- o) VTRS will calculate additional fees.
- p) VTRS will calculate county fees.
- q) VTRS will Calculate Tennessee state and local sales tax due by the customer when appropriate using sites of owner residence or "first operation" (dealer)
- r) VTRS will Title a vehicle without registering the vehicle
- s) VTRS will automatically invalidate a title when a subsequent title is issued
- t) VTRS will Record the odometer reading and the odometer reading date when required
- u) VTRS will accommodate odometer brands and/or exemptions
- v) VTRS will permit titling of vehicles that are not self-propelled
- w) VTRS will permit titling of low speed and medium speed vehicles
- x) VTRS will prevent ownership transfer if the vehicle is Nonrepairable or Crushed or if the title status is not issued.
- y) VTRS will Process titles for a surviving spouse and calculate the associated fees. (Free within one year of spouse death, fee thereafter.)
- z) VTRS will allow for the Tennessee precertification process of salvage vehicles and issue rebuilt titles when approved

#### 2. Registration-Renewal

- a) The VTRS will Process applications for registrations
- b) The VTRS will Assign license plates to vehicles
- c) The VTRS will Track plate inventories
- d) The VTRS will Prevent registration or renewal when the registrant has failed to comply with Tennessee's Financial Responsibility law
- e) The VTRS will Allow registration and renewal of vehicles that are not titled in the state of Tennessee
- f) The VTRS will Register and renew leased vehicles (the owner is not the same as the registrant)



## ATTACHMENT 2 REQUIREMENTS

- g) The VTRS will tie registration or renewal to a single physical address unless the vehicle is being titled and registered in the first county of operation (for example, a new car dealer sale) or if the salvage or nonrepairable certification is provided to a business
- h) The VTRS will validate emissions testing where appropriate
- i) The VTRS will identify and process vehicles exempt from emissions testing
- j) The VTRS will Process vehicles with emissions waivers
- k) The VTRS will accommodate permanent registrations
- l) The VTRS will accommodate staggered registrations
- m) The VTRS will accommodate the sale of plates that are not tied to specific vehicles (such as Dealer plates or OEM (Original Equipment Manufacturer) plates)
- n) The VTRS will automatically calculate the registration expiration date by plate class but allow authorized users to override this date
- o) The VTRS will accommodate fixed standard registrations by plate class (For example, all National Guard plates expire in September of each year)
- p) The VTRS will prorate registration fees where appropriate. Please describe how much flexibility there is in determining "appropriate".
- q) The VTRS will allow registration of low speed and medium speed vehicles.
- r) The VTRS will assign plates to vehicle types appropriately
- s) The VTRS will allow transfer of registration and plate to another vehicle
- t) The VTRS will prevent reassignment of registration when appropriate
- u) The VTRS will prevent the renewal of certain plate classes and obsolete plate classes
- v) The VTRS will Assign, renew, and relinquish the rights to personalized plates
- w) The VTRS will manage a "naughty" word list and decline a plate order for a word that violates.

### 3. POS

- a) The VTRS will Accept payment for incomplete transactions
- b) The VTRS will Process refunds appropriately (including refunds of prorated amounts, and refunds for overpayments)
- c) The VTRS will endorse checks
- d) The VTRS must accept credit card payments or have the ability to work around and be PCI compliant.
- e) The VTRS will Provide robust financial controls
- f) The VTRS will Process "bad checks" (insufficient remittances), including maintaining a count of the number of "bad checks" written by the customer.
- g) Please state if system will place "automatic" stop if x number of checks are received within a predetermined timeframe.
- h) The VTRS will calculate appropriate penalty and interest
- i) The VTRS will Balance and reconcile cash drawers.
- j) The VTRS will Prepare and track multiple daily bank deposits
- k) The VTRS will Accept and post payments from multiple County Clerks
- l) The VTRS will Process and track fee and payment adjustments
- m) The VTRS will provide customer receipts and official registration documents
- n) The VTRS will distribute fees according to Tennessee funds allocation rules
- o) The VTRS will process transactions on a real time basis to a central database from county clerk locations
- p) The POS must have a work around if the database is not accessible.



## ATTACHMENT 2 REQUIREMENTS

### 4. Work Flow

- a) The VTRS will provide rules-based work assignments
- b) The VTRS will provide tracking of work assignments
- c) The VTRS will allow authorized users/supervisors to transfer individual assignments or groups of assignments
- d) The VTRS will enable access to assigned work and allow completion of work assignments
- e) The VTRS will enable the production of correspondence to the customer when appropriate
- f) The VTRS will maintain tracking of customer communications.
- g) The VTRS will auto generate standardized letters based on errors including omission of Data or forms.
- h) The VTRS will allow a rep to generate a customized letter based on a unique situation and distribute it to the appropriate party.
- i) The VTRS will automatically manage receipt of additional information or documents needed to complete the issuance of a title.

### 5. Batch Jobs

- a) The VTRS will calculate renewal notices (who is eligible to receive—what total fees are (varies by zip)
- b) The VTRS will generate renewal notices.
- c) The VTRS will verify renewal notices.
- d) The titles will be printed/distributed paper or email
- e) The titles will be printed/distributed by instant print or batch
- f) The titles will be printed/distributed by preprinted or automatically

### 6. Reporting

- a) The VTRS will provide a report of vehicles registered in a county that differs from the county of residence.
- b) The VTRS will produce Exception Reports
- c) The VTRS will produce reports on incomplete transactions.
- d) The VTRS will produce Performance Reports indicating work processed by individual as well as group totals
- e) The VTRS will produce Inventory Reports
- f) The VTRS will produce Financial Reports
- g) The VTRS will produce Ad Hoc Reports
- h) The VTRS will produce Reports of all inquiries into TIES Data, regardless of the outcome of the inquiry (even if no transaction is completed)
- i) The VTRS will produce Reports of all external inquiries into the system from external systems (such as RQ, IVTR, and CJP)
- j) The VTRS will produce Aging reports indicating pending transactions including those with rejection letters.
- k) The VTRS will produce Invoice reports to facilitate payment to County Clerks for completed transactions





## ATTACHMENT 2 REQUIREMENTS

### 7. Inventory

- a) The VTRS will accommodate an unlimited number of plate classes, including but not limited to personalized, cultural, specialty, new specialty, special purpose, and military plates.
- b) The VTRS will identify the acceptable usage of each plate (such as private, commercial, or other usages) and the vehicle types to which these plates may be assigned.
- c) The VTRS will assign and track controlled stock
- d) The VTRS will allow recall, revocation, and/or cancellation of state-issued products, such as titles, registrations, plates, permits, and placards
- e) The VTRS will provide for the replacement of lost, stolen, or damaged Tennessee products
- f) The VTRS will Process and track controlled stock shipments
- g) The VTRS will correct inventory, such as returning items to the inventory
- h) The VTRS will Evaluate, propose, and track reorder points
- i) The VTRS will be able to handle duplicate plate numbers or have a work around for the state numbers that are repeated in different plate classes.

### 8. Audit

- a. The VTRS shall generate alerts based on defined business rules and sent to appropriate staff
- b. Transaction History
  - 1) The VTRS shall record for all Data records the date, time, user ID, IP address created and modified by.
  - 2) The VTRS shall track all record additions, changes and deletes, including the ability to recreate a record's change history.
  - 3) The VTRS shall mark deleted records for deletion but not remove the records from the database until purged.
- c. Audit Capabilities
  - 1) The VTRS shall provide secure and comprehensive audit capabilities.
  - 2) The VTRS shall provide for audit trails that capture user Identity, time, location, programs used and cause. Audit trails shall be recorded securely with restricted and controlled access. Audit records shall be secure, resistant to tampering, deletion, alteration and must not allow exposure of sensitive Data to unauthorized persons.
  - 3) Audit records shall include date, time stamp, workstation IP and Hostname, User account ID and program ID.
  - 4) The VTRS shall provide audit trails for all production of credentials and other controlled documents.
  - 5) The VTRS shall provide audit trails for all record inquiries, creation, changes and deletions including, but not limited to, all transactions that change customer demographic Data.
  - 6) The VTRS shall provide audit trails for all access to and the release of sensitive Data from the VTRS, including documents supporting Identity.
  - 7) The VTRS shall provide audit trails for all money collected or disbursed for all transactions on the VTRS in conjunction with state cashing system.
  - 8) The VTRS shall provide an audit trail and report capabilities for all VTRS overrides, e.g. override for fees paid.



## ATTACHMENT 2 REQUIREMENTS

- 9) The VTRS shall randomly select a number of customer transactions for audit, including specifying transactions from a selected user.
- 10) The VTRS shall provide an audit trail for access to audit logs and records and detect, log and report immediately to security officers, attempts to access or alter audit logs by unauthorized persons. The VTRS shall provide a means to flag and report VTRS administrator specified suspicious activity.
- 11) The VTRS shall provide a means to recreate all of a particular VTRS user's activity and all changes to a particular customer (or other VTRS subject)'s records for a specified period of time. The information shall be presented in a user friendly report format.
- 12) The VTRS shall provide a means to flag and report any instances where one user account is logged on from multiple locations.
- 13) The VTRS shall provide logs and audit trails of all interactions, including transactions and Data exchanges over provided interfaces, between the VTRS and other external systems.
- 14) The VTRS shall provide logs and audit trails of all significant interactions between modules and services provided by components of the VTRS, sufficient to identify security risks, breaches, performance issues and reliability issues.
- 15) The VTRS shall provide standard reports, to be developed in conjunction with state staff, for audit functions, e.g. report showing incomplete transactions by a user.
- 16) The VTRS shall provide ad-hoc inquiry and reporting functions on any Data field in the VTRS by designated VTRS auditors. The VTRS shall provide the ability for the TDOR staff to select the output option at the time the query or report is run, including screen display, print, spreadsheet, pdf, xml.

### 9. Training

The Contractor shall deliver no less than four (4) different levels of training (defined below) to the State employees. Each training level will be tailored to a specific audience, which correlates with the State employee's specific job duties. The Contractor shall deliver initial training courses on all levels during the implementation phase of the project. The time frame and schedule for the Contractor to conduct initial training courses will be detailed in the State-approved project work plan. The following minimum requirements apply to each level of training provided by the Contractor:

- While implementing the system, the Contractor shall provide sufficient training on the full use of hardware, peripherals, and software.
- The Contractor shall provide a hardcopy user guide and job aid to each student for each level of training that contains information, procedures, and instructions specific to the installed system.
- The Contractor shall provide softcopies of all user guides and job aids for each level of training to the State. The Contractor shall grant the State a royalty free license to reproduce and distribute unlimited additional copies of all documentation and training material at no expense.
- The State reserves the right to make audio and video recordings of any and all training sessions at no additional cost to the State for later use by the State.

#### Training Levels

The State requires a minimum four (4) different levels of training, as described in this section.

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## ATTACHMENT 2 REQUIREMENTS

The Contractor shall deliver materials in accordance with the sample training materials representative of what will be developed and delivered for this project as identified in the Contractor's proposal. Published documentation is preferred, but the Contractor may modify and deliver handouts, diagrams, graphics, and/or other training aids that have been developed for use with other customers.

1. System Administrator  
This training will provide the State technical staff the knowledge necessary to operate and troubleshoot the system.
2. Account Administrator  
This course will be a minimum of 8 hours and shall cover functions associated with administering user operations of the system, including but not limited to managing accounts for Workstation Operators, performing any periodic functions, creating reports.
3. Train the Trainer  
This course will be a minimum of 40 hours to provide the knowledge necessary for the State staff to deliver general end-user training, including the classroom set up, instructor's notes, and common student questions. Contractor shall deliver their approach to a "train the trainer" plan to train the State personnel as described in their proposal. The training plan shall include the identification of required documents and a training timeline. The State requires the Contractor to train the State designated trainers at the headquarters facility in Nashville, TN. Contractor shall address expected timeline, format, and structure for the training of the State personnel.
4. General End-User Training  
This training will be delivered to all staff using the VTRS and shall cover all user functions. This training will be a minimum of 24 hours to provide the knowledge necessary for all VTRS users to perform all system-related job functions.

### Training Locations

The initial number of seats required for each level of training prior to implementation of the Contractor's solution is as follows:

Level	Training Description	Training Location	Total Number of Attendees
1	System Admin Training	TBD	TBD
2	Account Admin Training	TBD	TBD
3	Train the Trainer	TBD	TBD
4	General End User Training	TBD	TBD